
BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 14
Governance Statement	15 - 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditors' Report on the Financial Statements	21 - 23
Independent Reporting Accountant's Assurance Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 53

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	H Bakewell J Ingleton K Lock G Love (resigned 19 September 2017) G Hussey (appointed 13 November 2018)
Trustees	S M Cotton (appointed 1 September 2017) D Ellis S Hall K L Lock G P Nemes, Chief Executive Officer and Accounting Officer G R Payne H M Seary, Chair of Trustees
Company Registered Number	08168237
Company Name	Bradgate Education Partnership
Principal and Registered Office	Trust Offices Wreake Valley Academy Parkstone Road Syston Leicester LE7 1LY
Chief Executive Officer	Gareth Nemes
Senior Management Team	Gareth Nemes, Chief Executive Officer David Sargent, Chief Operating Officer Dean Pomeroy, Director of Primary Schools James Tickle, Director of Secondary Schools
Independent Auditors	Streets Audit LLP Chartered Accountant and Statutory Auditors Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank Plc 7 Sherrard Street Melton Mowbray Leicestershire LE13 1XR

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 16 serving a catchment area in Leicestershire. It has a pupil capacity of 2995 and had a roll of 3029 in the school census in October 2017. With an additional school this had risen to 3391 by 1 May 2018.

Structure, Governance and Management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Bradgate Education Partnership are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bradgate Education Partnership.

Details of the Trustees who served during the are included in the Reference and Administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £149.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

In accordance with the Articles of Association, Members of the Trust appoint a minimum of 3 Trustees. There is no maximum number of Trustees and the Trust currently aims to operate with 7 Trustees.

Trustees are appointed for a period of four years. On completion of the four year term, retiring Trustees are eligible for re-election.

The Trustees have set up procedures which enable regular reviews of the mix of skills that should be available to the Board. The Trustees are then sought with these skills as replacements when existing Trustees stand down. Potential Trustees are asked to submit a 'pen picture' detailing their relevant skills and expertise to Members. It is anticipated that most new Trustees will be drawn from the local community or others who have shown an interest in the future well-being of the Trust, the Academies within the Trust and the students. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within the local area.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Individual Trustees attend training courses, primarily through the Syston Thurmaston Education Partnership (STEP) or through other appropriate bodies, in order to ensure their knowledge and understanding is up to date. Briefings for the Board and the Senior Management Team are carried out based on areas of potential interest and/or concern.

f. ORGANISATIONAL STRUCTURE

Bradgate Education Partnership (BEP) is a Multi-Academy Trust with each Academy retaining its own identity and managing its own school budget. The BEP Board of Trustees meets termly and provides strategic direction to BEP and individual Academies.

The Trust has 4 Members who are the Trust custodians and they ensure operation within the scope of the Articles of Association.

There are 7 Trustees who hold the Chief Executive Officer (CEO) and the other members of executive team to account. The Trustees support the Local Governing Bodies and act as a conduit between the Trust and the Academies. Due to the size of the trust and the scope of associated responsibilities the Trust Board will look to expand its number during 2018/19.

Each Academy within the Trust has a Local Governing Body (LGB) which is responsible for delegated items in accordance with the scheme of delegation.

Local Governing Bodies (LGBs) for each of the Academies adopt each of the Academies individual school improvement plans, approve the annual budget, monitor academic performance and take decisions on the operations using delegated powers, as set out in the BEP Scheme of Delegation.

The Trustees have responsibility for setting and monitoring the overall strategic direction of the charitable company. Approving decisions reserved for Trustees and appointing key members of staff.

LGBs are responsible for the conduct of their respective Academies in accordance with the objectives of the Trust.

The Trustees determine the general policy of the Trust. The day to day running of the Trust is delegated to the CEO, supported by the Headteachers of the individual Academies. The CEO undertakes the key leadership role overseeing educational and strategic functions. The day-to-day running of the individual schools is the responsibility of Headteachers. Administration is undertaken within the policies and procedures approved by the Trustees. Only significant expense decisions, including for major capital projects, are referred to Trustees prior to approval.

The CEO oversees recruitment of all central staff and advises local governing bodies on the appointment of Headteachers. The CEO is an ex officio Trustee, Accounting Officer and attends all meetings. The CFO is invited to attend Trustee meetings as appropriate.

Trustees meet at least four times a year as a full board. The Trust supports the effective running of the 11 Academies through the following Committees:

- Pay, Performance and Management and Personnel;
- Performance and Standards; and
- Finance, Audit and Risk.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

At the first meeting in that year, Trustees elect a Chairman and Vice Chairman from among their numbers. A Trustee who is employed by the Trust shall not be eligible for election as a Chairman or Vice Chairman. In addition to the 4 Trustees meetings there are also additional Committee meetings which usually meet at least once a term, including Performance Management, Finance, Curriculum, Health and Safety and Planning. Furthermore, certain responsibilities are delegated to local governing bodies in accordance with the scheme of delegation. The clerk to the Trustees is responsible for preparing agendas and papers and sending out the minutes. The CFO is irresponsible for preparing the schools accounts.

Operational management is led by the CEO and the CFO. The Trust employs a Director of Primary Schools and a Lead Practitioner, who also supports effective Teaching School Alliance working.

All the Trustees give their time freely.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

With the exception of the CEO, members of the Board of Trustees are not entitled to receive and remuneration or loss of earnings as a result of their post as a Trustee of Bradgate Education Partnership.

In the Autumn of each year the Pay Review Panel, consisting of nominated Trustees, will receive information from an independent performance review assessor concerning the salary of the CEO. Recommendations are made for the movement up the CEO's salary range, the basis for which the CEO is currently paid, and will identify the recommended number of progression points proposed.

In addition, the arrangements for setting the pay and remuneration of the Academy's Key Management Personnel depends on the level of responsibility. Senior teaching staff in the Academy Trust are paid in accordance with school teachers pay and conditions 2016. The Trust follows the advice of its human resources advisor service. Trustees benchmark senior executive pay against trusts of a similar size and structure to Bradgate Education Partnership. This along with HR advice is taken into consideration to support their decision making.

During the period Trustees commissioned a consultant (John Turner Consulting) to scrutinise central staff structures and make recommendations concerning remuneration which was benchmarked against trusts of a comparative size and structure. It is the intention is to revisit this work during 2018/19 thus providing external assurance regarding executive pay.

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Percentage of pay bill spent on facility time	£000
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	- %

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Through Syston and Thurmaston Education Partnership (STEP), the Trust works with other member schools. The schools work together and support each other by establishing STEP standards to raise standards across the schools and improve achievement levels.

Objectives and Activities

a. OBJECTS AND AIMS

The Academy Trust's objectives ("the Objectives") are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom. In particular, but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools, which offer a broad and balanced curriculum ("the mainstream Academies"). Educational institutions, which are principally concerned with providing full-time or part-time education for children of compulsory school age who, because of illness, exclusion from school or otherwise, may not for any period receive suitable education, unless alternative provision is made for them ("the alternative provision Academies"). 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies"). Schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated, the provision of facilities for recreation or other leisure time occupation of individuals. This is for those who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship, or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

To create high quality educational opportunities for all children and young people across the Partnership, by developing a strong collaborative and co-operative model, through which we encourage autonomy, share best practice, enhance the professional aspirations of our staff, and ensure the safety and well-being of all pupils and staff.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. PUBLIC BENEFIT

In addition to the principal educational activities detailed above, the Trust aims to promote itself for the benefit of individuals living in the Syston and Thurmaston area. For those who have the need because of their age, infirmity or disability, financial hardship, or social or economic circumstances. Also for the public at large, the provision of facilities for recreation or other leisure time, which is in the interests of society, with the objective of improving the condition of life for individuals.

Trustees have complied with their duty to have due regard to the guidance on public benefit published by the charity commission.

Achievements and Performance

Strategic Report

a. KEY PERFORMANCE INDICATORS

The Bradgate Education Partnership is a primary and secondary Multi-Academy Trust (MAT) based in Leicestershire. The MAT was incorporated on the 1 September 2016. All though the education model has been adopted for developing individuals and schools, to ensure each pupil has the chance to reach their full potential. The ethos behind the Trust is one based on autonomy and sustainable school improvement.

All schools within the Trust have equal access to the professional expertise and development opportunities through the Teaching School: STEP Teaching School Alliance. The teaching school has been operational for 4 years and not only supports all of the Trust schools, but also the wider area across the Local Authority.

The Trust is a unique and forward thinking Trust, which values school leaders to lead their own schools, with their own retained autonomy. The Trust is fortunate to have a highly skilled Trust Board and members, who can support and challenge each other to ensure achievement of long term goals.

Mission Statement

To create high quality educational opportunities for all children and young people across the Partnership, by developing a strong collaborative and co-operative model, through encouraging educational autonomy, sharing best practice, enhancing the professional aspirations of staff, and ensuring the safety and well-being of all pupils and staff.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators

2017/18 has been a highly successful year of operation for the Trust. The following tables give a snapshot of the educational outcomes for pupil across all schools.

Year 1 Phonics Performance:

Year 1 Phonics Pass Rate

Cluster	LA	Nat	Clu vs LA	Clu vs LA
85.3%	83.5%	82.5%	1.8%	2.8%

EYFSP Performance:

Good level of Development and Average Points Score

Measure	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
APS	34.7	34.7	34.6	0.0	0.1
GLD %	69.2%	70.9%	71.5%	-1.7%	-2.3%

Key Stage 1 Performance:

Expected Standard or Above Percentage

Subject	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
Reading	74.1%	75.1%	75.4%	-1.0%	-1.3%
Writing	71.5%	69.5%	69.9%	2.0%	1.6%
Maths	77.2%	76.0%	76.1%	1.2%	1.1%
RWM	64.6%	63.9%	65.3%	0.7%	-0.7%
Science	85.8%	83.9%	82.8%	1.9%	3.0%

Above Expected Standard Percentage

Subject	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
Reading	25.7%	24.9%	25.6%	0.8%	0.1%
Writing	16.4%	14.8%	15.9%	1.6%	0.5%
Maths	23.0%	21.1%	21.8%	1.9%	1.2%
RWM	12.6%	10.6%	11.7%	2.0%	0.9%

Key Stage 2 Performance:

Expected Standard or Above Percentage

Subject	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
Reading	78.5%	76.3%	75.3%	2.2%	3.2%
Writing	80.8%	80.1%	78.3%	0.7%	2.5%
Maths	81.8%	76.6%	75.6%	5.2%	6.2%
RWM	67.9%	65.3%	64.4%	2.6%	3.5%
GPS	85.4%	78.9%	77.7%	6.5%	7.7%
Science	93.0%	84.8%	82.5%	8.2%	10.5%

Scaled Score

Subject	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
Reading	105.1	105.0	105.1	0.1	0.0
Maths	104.8	104.4	104.4	0.4	0.4
GPS	106.9	106.2	106.2	0.7	0.7

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Above Expected Standard Percentage

Subject	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
Reading	25.8%	27.2%	28.1%	-1.4%	-2.3%
Writing	21.2%	21.2%	19.9%	0.0%	1.3%
Maths	21.9%	23.6%	23.6%	-1.7%	-1.7%
RWM	9.3%	10.0%	9.9%	-0.7%	-0.6%
GPS	33.4%	33.7%	34.4%	-0.3%	-1.0%

Key Stage 1 to 2 Progress Score

Subject	Cluster	LA	Nat	Clu vs LA	Clu vs Nat
Reading	-0.2%	-0.3%	0.0%	0.1%	-0.2%
Writing	-0.1%	0.0%	0.0%	-0.1%	-0.1%
Maths	0.2%	-0.2%	0.0%	0.4%	0.2%

From 2016 to now, the Trust has continued to make steady positive improvements against almost all pupil performance benchmarks. The 2018 data shows that the Trust currently performs above National Averages at all areas of 'expected' levels at the end of KS2, with average progress from KS1 to KS2 broadly in line with National figures. Given the positive Ofsted profile of the schools across the Trust and these consistent and improving end of KS2 outcomes there is a strong foundation for further future improvements to school performance and pupil outcomes.

However, the outcomes for pupils reaching beyond the expected level, typically the brightest pupils, sits below National comparators and this is a trend reflected in data across the Trust, often across Key Stages and over time: this, therefore, is an area for the Trust collectively to improve.

At the end of Key Stage 1 numbers of pupils achieving the expected level in reading, writing and maths are broadly in line with national averages with little variation for groups. Standards by the end of KS1 are an area for marginal gain going forward.

At the end of EYFS the number of pupils achieving a Good Level of Development is below National averages. Notwithstanding the fact some of our schools admit pupils into EYFS with contextual challenges it will be a priority during the next 2 years to ensure standards by the end of EYFS are at least reaching national standards as we recognise the long-term importance of a child's Foundation Stage.

In terms of identifying groups, as noted above the progress and attainment of the most able pupils will be a priority area for improvement. Generally, disadvantaged students (those eligible for Pupil Premium) do as well as their peers nationally but not as well as their non-pupil premium peers within the school and Trust. Therefore although this does not necessarily indicate an urgent performance issue across the Trust it does reveal a moral and social imperative to improve the outcomes for these young people. In a minority of schools a small gender imbalance has also been noted and this will be addressed within the relevant settings.

Key Stage 4:

Bradgate Education Partnership - KS4 Headlines

P8	-0.07
A8	47.05

	English	Maths	EBacc	Open Element
P8	0.29	-0.07	0.01	-0.40
A8	10.81	9.14	13.03	14.08

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Overall, the results for The Roundhill Academy were positive and placed the school in the top 60% of schools nationally. English have maintained a positive Progress 8 score, whilst the Ebacc Progress 8 score has increased to become even more positive. There are detailed development plans in place to improve outcomes in Maths and Open Element subjects. We expect to see good progress in these areas over the next 12 months.

b. GOING CONCERN

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

Financial Review

a. RESERVES POLICY

The Trustees Policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust, and to fund future projects. The Trustees will ensure that the levels of Reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the DfE on the treatment of GAG income and other grants. The Trust will aim to only carry forward reserves that it considers are necessary for future year's expenditure with regard for:

- Forecasts of levels of income in future years.
- Forecasts for expenditure in future years.
- Analysis of any future development needs and opportunities that could not be met out of annual income.
- Analysis and forecast of cashflow and fund management.

There is no absolute level of free reserves that the Trust maintains, however Schools are directed to target a minimum of one month running costs as a free reserves in order to insure against unforeseen circumstances. The intention is to review this policy in 2018/19 with a view to ensuring that any reserves are not static and are linked to the Trust investment policy.

At the Balance Sheet date, the charitable company had total reserves amounting to £29,077,000, of which £2,368,000 were free reserves.

As at 31 August 2018, the Fixed Asset Reserve amounted to £31,723,000. This reserve can only be realised by disposing of the Trusts Fixed Assets.

As at 31 August 2018, the Restricted Pension Reserve amounted to a deficit of £5,014,000. It should be noted that this does not present the trust with any current liquidity problems.

b. MATERIAL INVESTMENTS POLICY

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the objectives. To invest in the name of the Trust such part of the funds as they may see fit, and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objectives."

The investment policy objectives are:

- To achieve best financial return available, whilst ensuring that security of deposits takes precedence over

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- revenue maximisation.
- Only invest fund surpluses to operational need, based on all financial commitments being met, without the Academy bank account becoming overdrawn.
 - By complying with this policy, all investment decisions should be exercised with care and skill, and consequently be in the best interests of the Academy, and commanding broad public support.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the Trust is exposed. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Trust grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement). Where significant financial risk remains, Trustees have ensured they have adequate insurance cover.

The principle risks and uncertainties facing the trust are as follows:

- The Trust has considerable reliance on continued Government funding through the Education and Skills Funding Agency. While the current level of funding is expected to continue, there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same level or on the same terms.
- As the Trust remains highly reliant on Government Funding, the Academies therefore remain highly reliant on pupil admissions. There exists a risk that one or more Academy may not continue to attract sufficient pupil numbers to support current expenditure, and therefore income and expenditure applied to 5 year plans continues to be closely monitored.
- The success of the Trust is reliant on the quality of its staff. The Trustees monitor and review policies and procedures to ensure continued development and training of staff, as well as ensuring there is clear succession planning.
- As the Trust has expanded there exists the potential for a lack of consistency with regard to support staff remuneration across the Trust. It is therefore intended that a full job evaluation takes place from 2018/19.

Risk Management

The Trust has undertaken a full review of the main areas of risks which it faces. This includes all health and safety, and child protection policies and procedures. In addition, a review of all financial risks is undertaken on a regular basis.

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. The process involves identifying the types of risk the Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks.

A Trust Risk Register is maintained which identifies principle risks and provides a record of the mitigations in place to manage the individual risks. This Risk Register is reviewed on a regular basis by senior leaders and trustees. A review of the Risk Register is a standing agenda item on all trust and subcommittee meetings. The Risk Register clearly identifies the committee which retains oversight of the specific risk and which member of the senior leadership team is responsible for managing the risk on a day to day basis.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's approach to Risk Management is fully articulated in the Trust's Finance Policy with clear lines of accountability and responsibility articulated. Individual schools maintain local risk registers as a manner of recording the risks and their mitigations which forms part of local business continuity plans. The Trust's Risk Register identifies the specific risks concerning the Trust as a whole.

The objectives of Risk Management within the Trust is to identify, analyse and responds to risk factors that could effect the Trust's pursuance of its educational objectives. The process confers control (where possible) of possible future events and aims to be proactive rather than reactive.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. PRINCIPAL FUNDING

Most of the Trust's income in the year was obtained from the DFE and ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received for the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP Accounting by Charities, grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds. The Balance Sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

The Trust's Cashflow position is good with a cash balance of £3,655,000 at 31 August 2018. Balances are largely held within individual school accounts with surpluses being planned for use against building expansion projects (to be combine with CIF applications) and reserves as contingency to cover unforeseen circumstances.

Additionally 'top slice' contributions from individual academies into the trust is set to increase:

- 2017/18 – 3.75%
- 2018/19 – 5%

This increase in contributions to the trust will allow for recruitment in key leadership and school improvement positions from 2018/19 onwards and will thus allow the Trust to further grow.

Central team is planned to expand to include the following functions:

- Full time Director of Primary Schools.
- Part Time Director of Secondary Schools.
- HR Manager.
- Additional primary phase lead practitioner.
- Full time Trust Finance Manager.
- Central finance assistant staff.
- Educational Psychiatrist.
- Education Welfare Officer.
- Finance team and finance management software.

The net book value of fixed assets was £30,531,000. The assets were used for providing education and the associated support services to the students of the academies within the Trust.

At 31 August 2018, the pension fund liability stood at a deficit of £5,014,000.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management and limits of delegated authority for spending. Other policies reviewed and updated included Health and Safety, HR and Pay related policies.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The Trust will bid for educational allowances and grants as they become available where the stated educational outcomes of any such grants fits with the ethos and objectives of the Trust and are fully compliant with ESFA guidelines.

Responsibility for local fundraising resides with individual members schools who continue to enjoy good relations with parents and communities through the effective channels of 'friends of....' Organisations and Parent Teachers Associations (PTAs).

Plans for Future Periods

a. FUTURE DEVELOPMENTS

It is expected that during 2018/19 a further two schools will join the Trust (1 primary, 1 secondary). The addition of these two schools is likely to yield additional income circa £4,000,000 pa. Current strategic assumptions are that potentially a further 2 schools will join in 2019/20, resulting in a corresponding increase in overall income.

To date, all founding and joining schools have enjoyed a OFSTED category of Good or Outstanding but there is an understanding that the longer the Trust operates a successful school improvement model the more likely it is that the DFE may ask the Trust to accept schools on a sponsored model.

If the schools alluded to above join the Trust as expected the intention at this point will be to consolidate the educational and financial position of the Trust rather than actively pursue additional schools for membership. Additionally the Trust considers itself to be geographically restricted to 25 minutes driving time from the central office and thus any growth in school numbers will not compromise this principle. With that in mind it is unlikely that this Trust would grow over and above 20-25 schools in size.

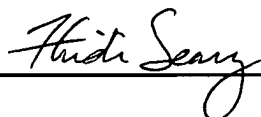
DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21/12/18 and signed on its behalf by:

H M Seary
Chair of Trustees



BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Bradgate Education Partnership and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S M Cotton	4	4
D Ellis	4	4
S Hall	4	4
K L Lock	2	4
G P Nelmes, Chief Executive Officer and Accounting Officer	4	4
G R Payne	4	4
H M Seary, Chair of Trustees	3	4

The Trustees have considered the quality of the data they receive and consider it to be adequate for the purposes of overseeing the work of the Academy. Their assessment has been made having regard to externally validated data, which is consistent with that received from within the Academy and data provided by the work of the internal and external auditors.

Care was taken during the creation of the Trust Board, to ensure that a relevant and wide range of experience was brought together to create the most effective body. While a formal review of Governance was not undertaken of the Trust Board during 2017/2018, it is planned for the first half of 2018/19. However, an internal process of continuous improvement has been undertaken.

The Trust and each LGB, working with Senior Leaders will review its effectiveness during each academic year. These reviews will also examine the effectiveness of individual Governors, to ensure that the Board of Trustees and each LGB possesses the necessary mix of skills to maximise their effectiveness.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To review each of the Academies indicative funding.
- To review the formulation of the Academies strategic plans, through the consideration of financial priorities and proposals.
- To monitor and review expenditure.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Ellis	3	3
S Hall	3	3
G Nelmes	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Continued growth of the Bradgate Education Partnership Trust, which as at 1 September 2017 provided for 3,038 students in Reception to year 11.
- Established collaborative approach to providing supporting services to 11 schools through centralised contracts (including Audit, HR, H&S and Premises Management).
- Reviewing contracts on an opportunity basis – during 2017/18 tenders were run for Audit services and Finance ICT systems which has resulted in significant efficiencies to the Trust.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradgate Education Partnership for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit and Risk 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 to appoint Leicestershire County Council as internal auditor.

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

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/ bank reconciliations.
- Testing of internal finance processes.

On an annual basis, the auditor reports to the Board of Trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The in depth report did make a number of observations and recommendations concerning financial system management and financial policies. Policies have since been adopted trust wide to ensure that statutory systems are in place. Other recommendations are being implemented on an opportunity basis as central systems are being improved upon.

To further improve the control framework and mitigate against risk it is planned that from 1 September 2018 core finance functions will be centralised alongside a move to a single bank account. This will be administered under the direction of the COO/CFO and will include a dedicated finance manager and finance assistant team. Schools will remain responsible for setting and monitoring budgets and committing their expenditure, but all other functions will take place centrally. Furthermore, during 2018/19 period all Bradgate payrolls will be brought onto a single payroll to ease administration and audit.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

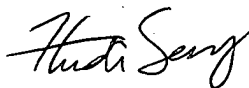
REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk 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 21/12/18 and signed on their behalf, by:



H M Seary
Chair of Trustees



G P Nelmes
Accounting Officer

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bradgate Education Partnership I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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



G P Nelmes
Accounting Officer

21/12/18

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 members of the Board of Trustees on 21/12/18 and signed on its behalf by:

H M Seary
Chair of Trustees



BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRADGATE EDUCATION PARTNERSHIP**

OPINION

We have audited the financial statements of Bradgate Education Partnership (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, 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', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRADGATE EDUCATION PARTNERSHIP**

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 Auditors' Report 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRADGATE EDUCATION PARTNERSHIP**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

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

USE OF OUR REPORT

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountant and Statutory Auditors

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW
Date: 21/12/18

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRADGATE
EDUCATION PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education & 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 Bradgate Education Partnership during the year 1 September 2017 to 31 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 Bradgate Education Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bradgate Education Partnership 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 Bradgate Education Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BRADGATE EDUCATION PARTNERSHIP'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Bradgate Education Partnership's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 year 1 September 2017 to 31 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 academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- A review of the Trust's systems and controls and confirmation of the operation and effectiveness during the year
- A review of expenditure to confirm the appropriateness and value for money.
- A review of connected party arrangements, transactions and balances.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRADGATE
EDUCATION PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

Streets Audit LLP

Chartered Accountant and Statutory Auditors

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 21/12/18

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 2017 (restated)
	Note	2018 £000	2018 £000	2018 £000	2018 £000	2017 £000
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	3	-	-	-	-	(126)
Transfer from existing academy	3	123	(604)	3,364	2,883	20,601
Other donations and capital grants	3	24	-	2,410	2,434	1,603
Charitable activities	4	374	14,363	-	14,737	13,997
Other trading activities	5	639	-	-	639	371
Investments	6	4	-	-	4	2
TOTAL INCOME		1,164	13,759	5,774	20,697	36,448
EXPENDITURE ON:						
Raising funds		488	-	-	488	233
Charitable activities	7,8	1,800	13,531	1,669	17,000	15,422
TOTAL EXPENDITURE		2,288	13,531	1,669	17,488	15,655
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(1,124)	228	4,105	3,209	20,793
Transfers between Funds	20	-	(223)	223	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(1,124)	5	4,328	3,209	20,793
Actuarial gains on defined benefit pension schemes	23	-	1,180	-	1,180	1,412
NET MOVEMENT IN FUNDS		(1,124)	1,185	4,328	4,389	22,205
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,124	(3,831)	27,395	24,688	2,483
TOTAL FUNDS CARRIED FORWARD		-	(2,646)	31,723	29,077	24,688

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08168237

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 (restated) £000
FIXED ASSETS				
Tangible assets	16		30,531	27,162
CURRENT ASSETS				
Debtors	17	1,251		692
Cash at bank and in hand		3,655		3,214
		<u>4,906</u>		<u>3,906</u>
CREDITORS: amounts falling due within one year	18	(1,339)		(1,379)
NET CURRENT ASSETS			<u>3,567</u>	<u>2,527</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,098</u>	<u>29,689</u>
CREDITORS: amounts falling due after more than one year	19		(7)	(7)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>34,091</u>	<u>29,682</u>
Defined benefit pension scheme liability	23	(5,014)		(4,994)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>29,077</u>	<u>24,688</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	20	2,368		1,163
Restricted fixed asset funds	20	31,723		27,395
Restricted income funds excluding pension liability		<u>34,091</u>		<u>28,558</u>
Pension reserve		(5,014)		(4,994)
Total restricted income funds			<u>29,077</u>	<u>23,564</u>
Unrestricted income funds	20		-	1,124
TOTAL FUNDS			<u>29,077</u>	<u>24,688</u>

The financial statements on pages 26 to 53 were approved by the Trustees, and authorised for issue, on 21/12/18 and are signed on their behalf, by:

H M Seary
Chair of Trustees



BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(351)	1,014
Cash flows from investing activities:			
Dividends, interest and rents from investments		3	2
Purchase of tangible fixed assets		(1,111)	(1,035)
Capital grants		1,900	2,702
CIF/Salix on Conversion		-	88
Net cash provided by investing activities		792	1,757
Change in cash and cash equivalents in the year		441	2,771
Cash and cash equivalents brought forward		3,214	443
Cash and cash equivalents carried forward	22	3,655	3,214

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bradgate Education Partnership constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on 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.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings	-	1% straight line per annum
Long leasehold building improvement	-	10% straight line per annum
Furniture and fixtures	-	20% straight line per annum
Motor vehicles	-	10% straight line per annum
Computer equipment	-	25% straight line per annum

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

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 17. Prepayments are not financial instruments. Amounts due to the academy'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 costs as detailed in notes 18 and 19. 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 the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 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.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 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 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 23, 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.

1.14 Transfer of existing academy

The transfer of existing single academy trusts into the multi-academy trust involved the transfer of identifiable assets and liabilities and the operation of the academies for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from Explore Learning Trust - Ratby Primary School to the trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

Ratby Primary School

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Long-term leasehold property	3,186	-	3,186
Fixtures and fittings	148	-	148
Computer equipment	30	-	30
Debtors due within one year	89	-	89
Cash in bank and in hand	178	-	178
Liabilities			
Creditors due within one year	(70)	(28)	(98)
Pensions			
Pensions - pension scheme assets	665	-	665
Pensions - pension scheme liabilities	(1,118)	(197)	(1,315)
Net assets	<u>3,108</u>	<u>(225)</u>	<u>2,883</u>

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 2017 (restated)
	2018 £000	2018 £000	2018 £000	2018 £000	2017 £000
Transfer on conversion	-	-	-	-	(126)
Transfer from existing academy	123	(604)	3,364	2,883	20,601
Subtotal detailed disclosure	123	(604)	3,364	2,883	20,475
Donations	24	-	-	24	-
Capital Grants	-	-	2,410	2,410	1,594
Grants	-	-	-	-	9
Subtotal	24	-	2,410	2,434	1,603
	147	(604)	5,774	5,317	22,078
<i>Total 2017 (restated)</i>	(5,395)	940	26,533	22,078	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds 2017 (restated)
	2018 £000	2018 £000	2018 £000	2017 £000
Funding for Academy Trust's Educational Operations	374	14,200	14,574	13,901
STEP Teaching School Income	-	163	163	96
	374	14,363	14,737	13,997
<i>Total 2017 (restated)</i>	344	13,653	13,997	

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total funds	Total funds 2017 (restated)
	2018 £000	2018 £000	2018 £000	2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	12,278	12,278	11,928
Pupil Premium	-	559	559	569
Start up grants	-	-	-	50
Other ESFA/DfE grants	-	814	814	524
	-	13,651	13,651	13,071
Other government grants				
Local Authority other grants	-	549	549	397
	-	549	549	397
Other funding				
School trips and parental contributions	348	-	348	382
Teacher insurance claims	26	-	26	51
	374	-	374	433
	374	14,200	14,574	13,901
<i>Total 2017 (restated)</i>	344	13,557	13,901	

5. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds 2017 (restated)
	2018 £000	2018 £000	2018 £000	2017 £000
Hire of facilities	74	-	74	109
Catering income	238	-	238	120
Other trading income	327	-	327	142
	639	-	639	371
<i>Total 2017 (restated)</i>	371	-	371	

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

6. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds	Total funds 2017 (restated)
	2018 £000	2018 £000	2018 £000	£000
Investment income	4	-	4	2
<i>Total 2017 (restated)</i>	2	-	2	

7. DIRECT COSTS

	Educational Activities £000	Total 2018 £000	Total 2017 £000
Educational supplies	354	354	215
Staff development	121	121	65
Other direct costs	364	364	107
Wages and salaries	7,138	7,138	7,117
National insurance	704	704	641
Pension cost	1,226	1,226	1,533
Depreciation	1,105	1,105	1,044
	11,012	11,012	10,722
<i>Total 2017 (restated)</i>	10,722	10,722	

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

8. SUPPORT COSTS

	Educational Activities £000	Total 2018 £000	Total 2017 £000
Pension income	136	136	122
Maintenance of premises and equipment	1,073	1,073	614
Cleaning	151	151	136
Rent and rates	116	116	99
Insurance	190	190	152
Catering	532	532	424
Bank interest and charges	3	3	2
Other support costs	534	534	1,141
Technology costs	211	211	50
Energy costs	182	182	160
Governance costs	41	41	107
Teaching school running costs	152	152	42
Wages and salaries	1,731	1,731	1,332
National insurance	94	94	-
Pension cost	841	841	319
Other support costs	1	1	-
	<u>5,988</u>	<u>5,988</u>	<u>4,700</u>
<i>Total 2017 (restated)</i>	<u>4,700</u>	<u>4,700</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	1,105	1,043
Operating lease rentals	<u>58</u>	<u>79</u>

10. AUDITORS' REMUNERATION

	2018 £000	2017 £000
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	40	45
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	<u>5</u>	<u>9</u>

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	9,033	8,517
Social security costs	805	644
Operating costs of defined benefit pension schemes	2,088	1,858
	<u>11,926</u>	<u>11,019</u>
Agency staff costs	149	173
Staff restructuring costs	-	23
Other costs	2	10
	<u><u>12,077</u></u>	<u><u>11,225</u></u>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Severance payments	<u>-</u>	<u>23</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teaching	160	145
Administration and Support	398	259
Management	40	40
	<u><u>598</u></u>	<u><u>444</u></u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team. The total amount of employee benefits (including employer pension contributions)

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF COSTS (continued)

received by members of key management personnel for their services to the Academy Trust to the nearest £000 was £245,000 (2017: £352,000)

12. CENTRAL SERVICES

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

- Audit
- HR
- Health & Safety
- Premises Management

The academy charges for these services on the following basis:

All Academy who are members of the Trust are charged 3.5% of GAG income per year.

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Broomfield Community Primary School	30	26
Church Hill Infant School	34	32
Eastfield Primary School	40	31
Gaddesby Primary School	19	17
Great Dalby School	20	18
The Merton Primary School	48	43
Newtown Linford Primary School	15	15
The Pochin School	21	20
The Roundhill Academy	129	50
Seagrave Village Primary School	16	15
Swallowdale Academy	47	39
Total	<u>419</u>	<u>306</u>

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £149 (2017 - £149).

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£000	£000
G Nelmes, CEO and Staff Trustee	Remuneration	105-110	90-95
	Pension contributions paid	0-5	15-20

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to £NIL Trustees).

15. OTHER FINANCE INCOME

	2018	2017
	£000	£000
Interest income on pension scheme assets	178	114
Interest on pension scheme liabilities	(314)	(236)
	<u>(136)</u>	<u>(122)</u>

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

16. TANGIBLE FIXED ASSETS

	Leasehold property £000	Furniture and fixtures £000	Plant and equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2017	27,717	304	53	267	28,341
Additions	1,088	-	-	23	1,111
On transfer	3,186	148	-	30	3,364
At 31 August 2018	31,991	452	53	320	32,816
Depreciation					
At 1 September 2017	949	102	9	119	1,179
Charge for the year	934	91	9	72	1,106
At 31 August 2018	1,883	193	18	191	2,285
Net book value					
At 31 August 2018	30,108	259	35	129	30,531
At 31 August 2017	26,768	202	44	148	27,162

Valuations are based on methods considered appropriate by the trustees being either external valuation or valuation provided by the ESFA.

A prior year adjustment has been performed to recognise valuations for Newtown Linform Primary School and Seagrave Village Primary School which were not available in the prior year. This has resulted in an uplift to cost brought forward of £2,307,000.

17. DEBTORS

	2018 £000	2017 £000
Trade debtors	72	26
Other debtors	379	280
Prepayments and accrued income	50	98
Amounts recoverable on long term contracts	750	288
	1,251	692

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

18. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	13	32
Other taxation and social security	64	184
Other creditors	29	249
Accruals and deferred income	1,233	914
	<u>1,339</u>	<u>1,379</u>
	2018 £000	2017 £000
Deferred income		
Deferred income at 1 September 2017	338	108
Resources deferred during the year	384	338
Amounts released from previous years	(338)	(108)
	<u>384</u>	<u>338</u>
Deferred income at 31 August 2018	<u>384</u>	<u>338</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance primarily in relation to universal infant free school meals.

19. CREDITORS: Amounts falling due after more than one year

	2018 £000	2017 £000
Other creditors	7	7
Other creditors relates to Salix loans.		

20. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	1,124	1,164	(2,288)	-	-	-

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	802	12,204	(10,778)	-	-	2,228
Other DfE/ESFA grants	50	1,373	(1,381)	(42)	-	-
ESFA capital grants	181	-	-	(181)	-	-
Other government grants	1	549	(550)	-	-	-
STEP Teaching School income	129	163	(152)	-	-	140
Pension reserve	(4,994)	(530)	(670)	-	1,180	(5,014)
	<u>(3,831)</u>	<u>13,759</u>	<u>(13,531)</u>	<u>(223)</u>	<u>1,180</u>	<u>(2,646)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds	27,162	3,364	(1,106)	1,111	-	30,531
CIF Grants	185	1,900	(420)	(521)	-	1,144
CIF loan	(8)	-	-	-	-	(8)
Devolved Formula Capital	56	86	(86)	-	-	56
LA Capital Funding	-	424	(57)	(367)	-	-
	<u>27,395</u>	<u>5,774</u>	<u>(1,669)</u>	<u>223</u>	<u>-</u>	<u>31,723</u>
Total restricted funds	<u>23,564</u>	<u>19,533</u>	<u>(15,200)</u>	<u>-</u>	<u>1,180</u>	<u>29,077</u>
Total of funds	<u>24,688</u>	<u>20,697</u>	<u>(17,488)</u>	<u>-</u>	<u>1,180</u>	<u>29,077</u>

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

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2018.

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations.

Start up grant

Being the fund from Education and Skills Funding Agency to cover development costs to prepare the Academy for opening.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between their peers. This is allocated for every pupil who receives free school meals.

Other grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational operations.

Other Income

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in a deficit given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset fund

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The unspent CIF capital grant fund and DCF grant has been created to recognise unspent capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed asset fund.

The CIF loan balance represents the SALIX loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from restricted funds against the CIF loan fund.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for LCT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Bromfield Community Primary School	180	157
Church Hill Infant School	282	264
Eastfield Primary School	251	279
Gaddesby Primary School	159	104
Great Dalby School	125	131
The Merton Primary School	473	409
Newtown Linford Primary School	68	66
The Pochin School	159	98
The Roundhill Academy	(217)	(43)
Seagrave Village Primary School	78	81
Swallowdale Primary School	382	503
STEP Teaching School Alliance	76	68
Bradgate Education Partnership	272	170
Ratby Primary School	80	-
Total before fixed asset fund and pension reserve	<u>2,368</u>	<u>2,287</u>
Restricted fixed asset fund	31,723	27,395
Pension reserve	(5,014)	(4,994)
Total	<u><u>29,077</u></u>	<u><u>24,688</u></u>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £000
The Roundhill Academy	217

The Roundhill Academy had a net deficit on its portion of the funds at the year end due to expenditure exceeding income in the year.

The academy is taking the following action to return the academies to surplus:

The Trust is taking robust action to address this deficit situation. A detailed financial recovery plan has been implemented with additional support and demanding yet achievable targets. Dedicated business and financial support is being deployed by the trust to provide additional oversight and control. Monthly management accounts and progress reports being made to Trust senior leaders. Trustees are being updated formally each month. Progress to date has been good and the school is on track to achieve a balanced budget by 31 Aug 2020.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
General Fund	88	1,269	(233)	-	-	1,124
Restricted funds						
General Annual Grant (GAG)	203	15,044	(13,892)	(192)	-	1,163
Pension reserve	(133)	(5,787)	(486)	-	1,412	(4,994)
	70	9,257	(14,378)	(192)	1,412	(3,831)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	2,325	25,922	(1,044)	192	-	27,395
Total of funds	2,483	36,448	(15,655)	-	1,412	24,688

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
General funds	1,124	1,164	(2,288)	-	-	-
Restricted funds	(3,831)	13,759	(13,531)	(223)	1,180	(2,646)
Restricted fixed asset funds	27,395	5,774	(1,669)	223	-	31,723
	24,688	20,697	(17,488)	-	1,180	29,077

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General funds	88	1,269	(233)	-	-	1,124
Restricted funds	70	9,257	(14,378)	(192)	1,412	(3,831)
Restricted fixed asset funds	2,325	25,922	(1,044)	192	-	27,395
	<u>2,483</u>	<u>36,448</u>	<u>(15,655)</u>	<u>-</u>	<u>1,412</u>	<u>24,688</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	30,532	30,532
Current assets	-	3,714	1,191	4,905
Creditors due within one year	-	(1,339)	-	(1,339)
Creditors due in more than one year	-	(7)	-	(7)
Provisions for liabilities and charges	-	(5,014)	-	(5,014)
	<u>-</u>	<u>(2,646)</u>	<u>31,723</u>	<u>29,077</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 (restated) £000	Restricted funds 2017 (restated) £000	Restricted fixed asset funds 2017 (restated) £000	Total funds 2017 (restated) £000
Tangible fixed assets	-	-	24,855	27,162
Current assets	1,124	2,542	240	3,906
Creditors due within one year	-	(1,379)	-	(1,379)
Creditors due in more than one year	-	-	(7)	(7)
Provisions for liabilities and charges	-	(4,994)	-	(4,994)
	<u>1,124</u>	<u>(3,831)</u>	<u>25,088</u>	<u>24,688</u>

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net income for the year (as per Statement of Financial Activities)	3,209	20,793
Adjustment for:		
Depreciation charges	1,106	1,044
Interest receivable	(3)	(2)
Fixed assets donated/transferred on conversion	(3,364)	(24,852)
Pension transferred from Single Academy/Local Authority on conversion	530	5,787
Cash transferred on donation/from Local Authority on conversion	-	(1,187)
Increase in debtors	(589)	(684)
(Decrease)/increase in creditors	(40)	1,231
Capital grants from DfE and other capital income	(1,900)	(1,515)
Defined benefit pension scheme cost less contributions payable	564	364
Defined benefit pension scheme finance cost	136	122
Fixed asset reserves CIF/SALIX transferred on conversion	-	(88)
Loss on disposal of fixed asset	-	1
Net cash (used in)/provided by operating activities	(351)	1,014

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand	3,655	3,214
Total	3,655	3,214

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension 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 £143,000 were payable to the schemes at 31 August 2018 (2017 - £176,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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 (rounded to the nearest £,000) paid to TPS in the period amounted to £936,000 (2017 - £918,000).

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution (rounded to the nearest £,000) made for the year ended 31 August 2018 was £785,000 (2017 - £607,000), of which employer's contributions totalled £624,000 (2017 - £479,000) and employees' contributions totalled £161,000 (2017 - £128,000). The agreed contribution rates for future years are 23.72% for employers and 5.5%-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	5,127	4,418
Gilts	2,233	1,319
Property	744	527
Cash and other liquid assets	165	330
Total market value of assets	<u>8,269</u>	<u>6,594</u>

The actual return on scheme assets was £351,000 (2017 - £622,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(1,158)	(843)
Interest income	178	114
Interest cost	(314)	(236)
Total	<u>(1,294)</u>	<u>(965)</u>
Actual return on scheme assets	<u>351</u>	<u>622</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	11,588	302
Current service cost	1,158	843
Interest cost	314	236
Employee contributions	161	128
Actuarial gains	(1,007)	(904)
Benefits paid	(126)	(114)
Liabilities assumed in business combination	1,195	11,097
Closing defined benefit obligation	<u>13,283</u>	<u>11,588</u>

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	6,594	5,285
Interest income	178	114
Actuarial losses	173	508
Employer contributions	624	479
Employee contributions	161	128
Benefits paid	(126)	(114)
Effect of business combinations	665	194
	<u>8,269</u>	<u>6,594</u>
Closing fair value of scheme assets	<u>8,269</u>	<u>6,594</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	32	54
Between 1 and 5 years	127	143
Total	<u>159</u>	<u>197</u>

26. MEMBERS' LIABILITY

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

27. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.