

Report of the Trustees and

Financial Statements

for the Year Ended 31 August 2022

for

The Brookfield School Ltd

(A Company Limited by Guarantee)

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

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for the Year Ended 31 August 2022

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Reference and Administrative Details  
for the Year Ended 31 August 2022

<b>MEMBERS:</b>	S Wynn P Wrixon M J C Simmons T Manson (resigned 10.10.22) C A Edwards								
<b>TRUSTEES</b>	M Mannion-Parkes J Gidney T Manson Chairman (resigned 10.10.22) C Bates Chair of Audit & Finance S McFarlane N Nenaditch K Blizzard J Hughes (resigned 31.7.22)								
<b>SENIOR MANAGEMENT TEAM</b>	<table><tr><td>Michelle Mannion-Parkes</td><td>Headteacher</td></tr><tr><td>Sheila Taylor</td><td>Chief Finance Officer</td></tr><tr><td>Jill Hurst</td><td>Deputy Headteacher (appointed 01.09.21)</td></tr><tr><td>Lindsay Haile</td><td>Assistant Headteacher (appointed 01.09.21)</td></tr></table>	Michelle Mannion-Parkes	Headteacher	Sheila Taylor	Chief Finance Officer	Jill Hurst	Deputy Headteacher (appointed 01.09.21)	Lindsay Haile	Assistant Headteacher (appointed 01.09.21)
Michelle Mannion-Parkes	Headteacher								
Sheila Taylor	Chief Finance Officer								
Jill Hurst	Deputy Headteacher (appointed 01.09.21)								
Lindsay Haile	Assistant Headteacher (appointed 01.09.21)								
<b>COMPANY NAME</b>	The Brookfield School Ltd								
<b>COMPANY SECRETARY</b>	M J C Simmons								
<b>REGISTERED OFFICE</b>	Brookfield School Grandstand Road Hereford HR4 9NG								
<b>REGISTERED COMPANY NUMBER</b>	09136556 (England and Wales)								
<b>SENIOR STATUTORY AUDITOR</b>	Mr Kevin Tong FCCA ACA								
<b>AUDITORS</b>	Thorne Widgery Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS								
<b>SOLICITORS</b>	Lanyon Bowdler Offa Street Hereford HR1 2LH								

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The Brookfield School Ltd

Reference and Administrative Details  
for the Year Ended 31 August 2022

**BANKERS**

Barclays Bank  
Hereford Branch  
1-3 Broad Street Hereford  
HR4 9BH

Report of the Trustees  
for the Year Ended 31 August 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trust operates an academy for primary and secondary SEMH (social, emotional and mental health) students in Herefordshire.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The objectives of The Brookfield School are stated in the Articles of Association as:

"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 offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason 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") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")."

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

Main objectives:

Addressing Ofsted priorities: attendance, embedding the curriculum and strengthen middle/ subject leadership.

Strategies:

- review of governance with external reviewer; director and governor training;
- teaching and learning addressed through staff training, monitoring and review;
- ensuring engaging curriculum offer and support for children and families around attendance

### **Significant activities**

The outcomes and significant activities can be seen in the achievements and performance section of this report.

### **Public benefit**

The Academy Trust Members have complied with their duty to have due regard to the guidance on public benefit by the Charity Commission in exercising powers or duties. This has been with particular reference to Principles 1 and 2 as found in "The Advancement of Education for the Public Benefit, 2008".

## **STRATEGIC REPORT**

### **Achievement and performance**

#### **Charitable activities**

This has been a very positive year in that the Academy was inspected by Ofsted in October 2021 and had deemed to have made significant progress towards the issues which placed the Brookfield School into Special Measures. As such, the Special Measures were removed and the Academy has been deemed to Require Improvement.

The appointment of an Assistant Headteacher/ SENDCo has ensured that leadership capacity has been strengthened and that the Annual Review process has run smoothly. The AHT has taken over the leadership of safeguarding successfully, with the support of the wider safeguarding team. This team has also been significantly strengthened by the appointment of a family support worker who has made a huge impact, not only providing capacity for safeguarding and looked after child meetings but also in working closely to support families. Going forward, she will continue to extend this offer through parenting workshops, drop ins and working with wider professionals to provide a calendar of classes and events hosted by the school.

COVID has continued to impact the school in terms of both staff and pupil absence, notably at the end of the Autumn term and then again in the summer term. Despite the lifting of restrictions, staffing absence has had an impact, as has the long term of absence of a small number of Teaching Assistants through bereavement or significant illness.

As in following years, all Y11 leavers had offers of further education, training or employment and achieved their entry requirements in order to take those places for September 2022. Destinations are employment in motor vehicle and construction sectors, Hoople Training and Hereford and Ludlow College. All but one child passed their Functional Skills exams at the target level in English and Maths, the one child joined us at the end of Y10 but has made significant strides forward in terms of her social and emotional skills. Most pupils passed the Entry Level Award in science, one pupil did not sit the exam due to anxiety. GCSEs were slightly lower in maths than predicted but all passed at Level 1, art GCSE was as predicted, and English GCSE is running this year due to the disruption of COVID.

After two years where Primary SATS were not sat, our Y6 cohort sat their SATs - all but one child was entered for the tests. One year 4 pupil sat the multiplication tests, the other three were deemed not to be at the appropriate level. In terms of the SATs results, one child was at the appropriate level for Y6, and two further pupils were just below - both these children have returned to mainstream as part of Y7 transition. The Phonics screening was not used for the one child in Year 1 as he is working significantly below the expected level; one Y2 child retook the screening and passed - which represents significant progress for this child. Primary intervention has been impacted by the significant increase of children at risk of exclusion or who are unable to have their needs met in mainstream which has reduced the number of pupils the school has been able to accommodate on a short term basis.

The financial position of the school remains strong despite the national challenges and the Headteacher and School Business Manager continue to work closely together to manage a changing financial landscape including rises of support and teaching staff, potential strikes, cost of living crisis and continued absence. The cash flow position remains strong, there have been no breaches of the Financial Handbook and spend/ income streams are closely aligned to predicted. Income was slightly higher due to an increase in national funding from COVID catch up and this has been appropriately reported on.

Teaching performance has strengthened across the school with the appointment of three teachers - two in primary and one in secondary (DT/ Food Technology specialist). Lesson observations showed that all but two lessons were at least good (seen across the year) and that teaching and learning were especially strong in the primary and KS4 phases, the addition of ECT/ NQTs has brought strength and recent pedagogy to the team.

The Deputy Head has worked tirelessly to ensure that the planning and work set are at the appropriate level. Marking has significantly improved and there are many areas where excellent practice has been seen in books including the Arrow provision where progress could be clearly seen in individual cases. As part of robust monitoring, additional standardised tests were used in the summer term to triangulate children's levels of understanding and knowledge with teacher assessment. In the primary phase, results were closely allied but there was more variance in the secondary phase which has resulted in expectations around using test conditions more regularly and CPD for teachers around mainstream expectations. Likewise, assessment is well used in Primary with 90% of pupils meeting their targets, based on chronological data, in English and Maths. In Secondary the assessment criteria have not always been clear and have now been streamlined by subject leads and expectations made transparent. All children have been set a target in English (reading and writing), Science and Maths by the Senior Leaders and teachers will be held to account by the SENDCo and Deputy Head on the pupils' outcomes achieved each half term.

Report of the Trustees  
for the Year Ended 31 August 2022

The curriculum has been embedded in many areas and has been developed in English in particular, with a renewed focus on higher order reading skills and significant resources planned for 2022/23. The curriculum offer was found by Ofsted to be broad and inclusive, and teaching activities which planned for pupils' skills, understanding and knowledge progression.

Phonics interventions and reading interventions in small classes have continued and been high successful, so next steps are around higher order reading skills using the VIPER framework and additional resources have been purchased.

Read, Write Inc has also been embedded across Primary and TAs have all been trained. Further training is planned for KS3 as part of the planned change to a nurture model. High quality interventions are planned for September after work baselining the whole school by the SENDCo. Half termly meetings are also planned between SENDCo and teaching staff so that teachers are accountable for pupil progress and there is a two-way dialogue around resource allocation and assessment.

The curriculum remains at the heart of the School Development Plan and therefore planned spend. A significant area to develop is in terms of maths and developing the whole school curriculum and assessment processes, especially utilising more standardised testing and further training for Teaching Assistants. The SENDCo has invested in further maths interventions and support materials to ensure targeted interventions are in place.

We continue to invest in the site so that it remains a welcoming and nurturing environment for pupils and staff and is fully compliant with all relevant standards. Two classrooms have been upgraded, and offices redeveloped. The staff room in Secondary was upgraded as part of our commitment to staff wellbeing. Over the summer holidays, two further classrooms and the Primary hall and entrance areas are being refurbished. As part of the move to a nurture model, generic secondary classrooms have been allocated as Y7, Y8 and Y9 classrooms and furniture has been purchased as part of this, as well as the upgrade of two rooms.

However, the longer term capital build planned by the Local Authority continues to be paused whilst the DfE and Herefordshire Local Authority look at the funding arrangements and whilst the transfer to a Multi Academy Trust is still outstanding. The priority remains the site of the Arrow group and as of August 2022 an alternative may have been found by the LA. Resources have been put aside to refurbish this site as and when agreement has been reached. The Headteacher and School Business Manager are in regular touch with the LA and incoming MAT (Mercian Educational Trust) and we anticipate a start date of (approximately) April 2023 and a transfer to the MAT by January - March 2023.

We have addressed all the issues contained within the Financial Notice to Improve (December 2019) issued by the Education and Skills Funding Agency (ESFA) and in the management letter from our external auditors in December 2019. This has been a significant piece of work carried out by the Trustees and Head teacher, and I am pleased to report that we have run the school in accordance with the budget outlined in September 2020 and in fact made some savings/ increased revenue by increasing numbers. All financial management systems in school have been reviewed and are running efficiently under the careful stewardship of our School Business Manager. This has ensured continued good cash flow, a well-aligned predicted and actual spend and the EFSA loan will be paid in full on schedule.

Incidents of exclusion have continued to fall as part of our policy, with no permanent exclusions. We saw a 'spike' in suspensions (previously known as Fixed Term Exclusion) in Spring as children returned to 'normal' expectations - this was a national picture and has been exacerbated by what has been termed the 'mental health crisis' facing children and young people. Social tensions were high after two years of children being in smaller bubbles and having lower demands placed on them. This spike was largely due to two pupils both of whom have received significant intervention. One has been given a therapeutic timetable based at Arrow, and one is awaiting placement at another setting after significant resource allocation and wider professional working. In a small setting, one child having suspensions considerably impacts on percentage increase and can be disproportionate. Bullying and incidents of discrimination have dropped from around six per half term to just one, after significant work with the police around racism and homophobia, in addition to the focus in PSHE and assemblies.

Report of the Trustees  
for the Year Ended 31 August 2022

After taking note of Ofsted's view that behaviour recoding needed to be used more efficiently, we have ensured that we record incidents of challenging behaviour and those requiring physical intervention differently. We have seen a reduction in the number of both. Physical interventions have more than halved from Autumn to Summer and incidents of challenging behaviour have reduced by nearly 70%. This will usually be repeated year on year as children enter the school - our trend is for higher numbers in Autumn each year, especially in Primary where children enter our setting from mainstream, where often they have been excluded or outside the classroom for significant periods of time and have had little social contact with peers.

Pupil voice is being effectively captured more regularly by the SENDCo and PSHE leads, and had impacted on the curriculum - especially in English where older pupils felt the curriculum was too biased towards exams, and in giving more enrichment opportunities where children can mix outside their class. 100% of pupils felt safe in the last questionnaire carried out, and knew someone they could talk to if they had any concerns. The Pupil Council is active and holds half termly meetings, but this can be broadened and we aim to use this group to look at the sustainability and 'eco' credentials of the school in the next year. The PSHE/ SRE curriculum is a strong feature of the school, as are specific careers lessons, all of which helped the Academy gain a 'good' Ofsted rating for Personal Development. The Wellbeing Team of TAs, HLTAs, ELSAs (Emotional Literacy Support Assistant) as well as outside therapists delivering specific, targeted intervention has worked well - for pupils receiving intervention, there has been a fall in the number of recorded incidents and teachers are using the referral system well.

Attendance is closely monitored as it is lower than we would like. However, we recognise the impact of both COVID and the nature of children with social, emotional difficulties, many of whom have been zero/ low attenders in mainstream and/ or been permanently or repeatedly excluded. We set an aspirational target of 100% attendance as suggested by Ofsted and have seen 90% + at some times. This has not been sustained however so attendance remains a high priority in the School Development Plan. The School Improvement Partner noted that the systems and personnel in place were strong and these need to continue as models of best practice.

Safeguarding was deemed effective in our first monitoring visit, and has continued to be a strength of the school despite the challenges inherent within the school population; over 70% of pupils are in receipt of Free School Meals, around three quarters are in receipt of Pupil Premium and 14% are in the Care of the Local Authority. Approximately 15% - 20% of pupils are under Child Protection orders. As part of the annual audit, the Governor for Safeguarding, Headteacher and Designated Lead agreed that most areas were at a Level 1 (outstanding practice) and all standards were met.

Numbers

Children and YP with an Education, Health and Care plan (EHCP) are admitted into the school at the request of the Local Authority (LA) and agreement of the school.

**2022/2023**

Total 90 funded places by EFSA. 8 further intervention places for KS2 outside of this funded by LA and by Service Level Agreement with schools directly.

**2021/2022**

Total 90 funded places by EFSA. NOR 94 - 102.

**2020/2021**

Total 90 funded places by EFSA. NOR 90.

Attendance

Absences have continued to be affected by the pandemic. Attendance varies from class to class, but Primary and most of Secondary regularly achieve in excess of 90% attendance each week - in a small school every child affects attendance (1 child is 1% approximately) so even one or two children can adversely affect trends. Persistent absence by around seven pupils has a huge impact on attendance but part time timetables have reduced and one pupil has come off roll where it has been identified the school cannot meet need.

**Key financial performance indicators**

These are covered throughout the Trustees' Report.

Report of the Trustees  
for the Year Ended 31 August 2022

**STRATEGIC REPORT**

**Financial review**

**Financial position**

A significant amount of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2022, total expenditure of £789,057 (2021: £615,069) was covered by recurrent grant funding from the DfE. The net expenditure before transfers and revaluations for the year was £94,440 (2021: £32,740 net income).

At 31 August 2022, the net book value of fixed assets was £2,225,376 (2022: £2,270,837) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**Investment policy and objectives**

We currently do not have any investment activities therefore we do not have a policy, however this would be established if considered appropriate.

**Reserves policy**

The full Academy Trust Board has established a Reserves Policy which was reviewed by the Board in February 2021. The policy is in line with ESFA guidelines. However, the Policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

The Academy's 'free' reserves are its funds after excluding any restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. 'Free reserves' represent income to the Academy which is to be spent in furtherance of any Academy's objects but which is not yet spent, committed or designated.

The Academy's policy is that the appropriate level of revenue reserves should be equivalent to one month's expenditure, currently estimated to be £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £157,321 surplus (2021: £157,242 surplus), all of which is free reserves. The level of general restricted reserves is £142,367 surplus (2021: £31,425 surplus).

## **STRATEGIC REPORT**

### **Financial review**

#### **Going concern**

After making appropriate enquiries, the Governing Body 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. After conducting an internal audit in July 2021 we foresee that we are continuing to meet all the criteria laid down in the Financial Notice to Improve and Auditors' letter in December 2019.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting Policies.

The Trustees have considered the ongoing effects of the COVID-19 Pandemic and the current economic inflationary pressures in their assessment.

#### **The Brookfield School Ltd Catch up Funding 2021 - 2022**

We have targeted our Catch Up COVID fund around interventions for Social, Emotional and Mental Health and individual tutoring for pupils who are struggling to access the offer of the school. There has been significant spend on 1:1 tutoring using Mercian Tutoring for identified pupils. Pupils have also been in receipt of wider opportunities such as 1:1 counselling, horseriding (equine therapy), vocational and alternative placements for part of timetables (at Second Chance, Hereford Vocational Training). This has allowed us to reduce the number of part timetables to less than 2%.

#### **Funds in deficit**

Due to the accounting requirements of the Local Government Pension Scheme (LGPS), we are recognising a significant pension fund deficit. Where this creates a deficit in the restricted general fund this does not mean that an immediate liability for this amount arises. The deficit position of the pension scheme results in a cash flow effect for the Academy Trust in the form of an increase in employers' pension contributions.

The trust is carrying a net surplus of £299,688 (2021: net surplus £188,667) on restricted general funds (excluding pension reserve) plus unrestricted funds.

#### **Fundraising**

The academy has now restarted a PTA which has set out a calendar for the year including fundraising. We will be actively seeking to raise in the region of £5,000 which will be spent on additional resources for the pupils including books and outside play and fitness equipment.

Report of the Trustees  
for the Year Ended 31 August 2022

**STRATEGIC REPORT**

**Principal risks and uncertainties**

Staffing is now in line with the spend of similar schools:

Spend on teaching staff as % of total income	37.5%	40.1%	Broadly in line with similar schools
Spend on supply staff as % of total income	0.3%	1.4%	Middle 20% of similar schools
Spend on education support staff as % of total income	25.5%	30.3%	Middle 20% of similar schools
Spend on administrative and clerical staff as % of total income	10.5%	4.1%	Middle 20% of similar schools

The SLT will remain small until such time as the Brookfield School joins a MAT, in which case it will be reviewed or when the site development has been completed, the ESFA loan has been repaid and funds can be redirected.

The principle risk is that the Academy does not have contingency funds. We aim to build a contingency fund of approximately £120,000 over the next three years through restructure and through increased revenue (increase in PAN and outreach provision which is a charged service provided by the Academy). This has been put back due to the loan incurred to the ESFA as part of the restructure.

The Academy is managing the deficit through judicious spending i.e. like for like staffing replacements only, detailed scrutiny of spending requests, 0% budgeting.

Trustees with strong financial backgrounds scrutinising work of all staff involved in financial aspects of organisation and all income/ expenditure.

The Academy aims to increase published admission number (PAN) in small increments over the next 3 years and when the new build is completed, by 10% more.

The outreach provision is a revenue stream as it is a charged service to local schools through the LA and direct SLAs. This has reduced; our capacity has been limited in primary due to having three classes but we aim to move one Y6 class to be based in the secondary building to bring additional - we will investigate the possibility of additional teaching space but Assistant Head teacher is at capacity supporting the Head outside at classroom at present.

**Risks:**

There is an ongoing financial risk from the contracted services pension shortfall being the responsibility of The Brookfield School.

The current Brookfield facilities are not equipped for the number of pupils than are currently catered for and there is a specific issue around PE and toilet/changing facilities especially for female pupils. The council previously committed £3.8m to address this issues; planning had been granted and funds signed off by the LA. Initial measuring as commenced and we anticipated groundworks to start around April 2023. The Academy are still under a notice to join a Multi Academy Trust, despite the removal of Special Measures which is on ongoing process. A MAT was proposed by the DfE in July 2021 (The Mercian Trust) and this was accepted in principle at Headteachers' Board although no further due diligence of consultation has taken place. There are reservations from Herefordshire council as to the suitability of this MAT as they have no SEN experience, no secondary schools, are a small MAT outside of the local area and have a small leadership team to offer further support to the Academy.

Arrow Centre (Brookfield alternative provision) is not fit for purpose although it does meet our high aspirations for these pupils. One room and small office for up to 12; post 14, pupils and significant demand for further places with no vocational space. We await conformation from the LA that suitable alternative space has been found as a temporary solution until the rebuild is complete.

## The Brookfield School Ltd

### Report of the Trustees for the Year Ended 31 August 2022

#### **STRATEGIC REPORT**

##### **Future plans**

##### **Long term (within 5 years)**

- Free School bid for additional SEMH provision
- Free School bid for AP (Primary)
- Inreach and outreach model established and embedded across Herefordshire and Malvern/ Colwall area of Worcestershire
- Capacity at leadership level to support other provisions in terms of SEN delivery
- Open additional provision for Autism and SEMH across area
- Memorandum of Agreement in place for Specialist hub within MAT (under Mercian Trust)
- Fully integrated systems within the MAT for 'back services' including payroll, MIS, HR, financial package

##### **Medium term (within 2 years)**

- Complete capital build - enhanced PE offer onsite including outside gym, new classroom spaces and additional intervention spaces.
- Identify second site and strategically plan delivery model and phasing including Free School bid for AP
- Open KS1 provision
- Develop second intervention class to ensure local offer for pupils at risk of permanent exclusion or who have been PEx
- Develop outreach capacity - 2 TAs and 1 HLTA and corresponding offer working with LA team
- Strengthen links with secondary PRUs - possibility to collaborate and federate/ join under new MAT model

##### **Short term (within 1 year)**

- Remove the FNTI on transfer
- Transfer to MAT (Mercian Trust)
- Strengthen subject leadership via continuing CPD, visits to other schools and links with MAT including programme of support and challenge with new SIP and coaching provided by current SIP
- Improve attendance by reducing persistent absenteeism and improving attendance to 90% more consistently
- Pay off EFSA Loan
- Start capital build
- Move to nurture style KS3
- Embed new English scheme of work and VIPERS approach in secondary
- Rewrite Maths planning and ensure high quality delivery across whole school including by TAs
- Open new intervention class in primary and relocate fourth primary class to secondary site
- One ECT to complete training, two further ECTs to complete first year
- Two NQTs to complete apprenticeship or assessment route only to QTS

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Charity 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 Company was incorporated on the 18 July 2014 and converted from a Local Authority School to an Academy Trust on 1 October 2014.

The governors act as the trustees for the charitable activities of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law as The Brookfield School Ltd.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Members' liability**

Each member of the academy undertakes to contribute to the assets of the 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 cease to be a member.

### **Trustees' Indemnities**

The Brookfield School have in force Trustees Liability insurance with Zurich Municipal.

### **Recruitment and appointment of new trustees**

Eligibility to act as a Trustee of The Brookfield School is within the Constitutional Framework and Clauses 45-58 of the Articles of Association.

### **Organisational structure**

In 2021 The Brookfield School had three Members whose role it is to appoint Trustees; this continues to be 5 members.

The local governing body has met at least termly: comprising two parents Governors, two staff governors, a community Governor and at least one Trustee. It is Chaired by the Trustee. The former has been constituted in line with the articles of Association and has established three committees: Premises and finance; Curriculum and Standards (delegated to the LAB); Human Resources. The whole Board meet at least half termly and therefore fulfil the subcommittee role. The Audit Committee has three members alongside the Accounting Officer comprising the Chair of Trustees, the Chair of the HR Committee and the Chair of the Finance Committee.

The Academy Trust Board is responsible for setting strategic direction and most policies. They adopt annual development plans and budgets and monitor the development of the Academy and Local Authority contracted services through these. They make decisions about the future direction of the Academy and the management of the Local Authority contracted services, capital expenditure and, with the Senior Leadership (SLT), on staff appointments.

The Brookfield School is led by a Headteacher with a Deputy Headteacher, Assistant Headteacher/ SENDCo and SBM.

### **Induction and training of new trustees**

The Brookfield School has adopted external training for all Trustees (directors).

Each new appointee meets individually with the chair of the board of directors. The Academy trust is a member of the Herefordshire Governors Association which provides support and training

### **Key management remuneration**

Guidance refers to key management personnel who have authority and responsibility for planning, directing and controlling the activities of the organisation, directly or indirectly therefore the Trustees have included:

- The Academy Trustees
- Members of staff who have significant authority and responsibility for the day to day running of the academy trust
- Headteacher and senior leadership team

Setting pay for key management personnel is determined by following the relevant policy (Teachers' Performance Related Pay) which has been adopted from the Local Authority's Policy and comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD).

### **Related parties**

Charities supported during this financial year: Children in Need; NSPCC; Comic Relief; St. Michaels Hospice; Herefordshire Food Bank.

See the notes to the financial statements for further information.

## **AUDITORS**

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Brookfield School Ltd

Report of the Trustees  
for the Year Ended 31 August 2022

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9<sup>th</sup> December 2022 and signed on the board's behalf by:

.....  
C Bates - Trustee

Governance Statement  
for the Year Ended 31 August 2022

**Scope of Responsibility**

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, 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 The Brookfield School Ltd 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.

The directors consider that the Board and its Committees combined, meet adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements.

Governance Statement  
for the Year Ended 31 August 2022

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The board of members has formally met once during the year at the annual general meeting. However, two of the three members also attend the board meetings of which there were 15 in the year, one in the capacity of a trustee and the other as the clerk to the trustees. The third member is provided with regular updates.

The board of directors/trustees formally met 7 times during the year. Attendance of the board of directors/trustees was as follows:

Director/Trustees		Meetings Attended	Out of a Possible
Craig Bates	Chair of the Finance Committee	8	8
Keith Blizzard		4	5
Julia Gidney		7	8
Jon Hughes		3	5
Tim Manson	Chair of Directors (resigned 10.10.2022)	8	8
Susanna McFarlane		4	5
Nick Nenadich		1	5
Michelle Parkes	Headteacher	8	8
<b>Members</b>			
Carl 'Ed' Edwards		0	1
Tim Manson	Resigned 10.10.2022	1	1
Mark Simmons		1	1
Patrick Wrixon		1	1
Shelagh Wynn		1	1

**Finance & Premises Committee**

The Finance & Premises is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

During the year the purpose of this committee was carried out by the full board itself, therefore attendance is the same as the above.

**Governance Review**

The external review due to take place was cancelled due to medical incapacitation of the external consultant. This was further compounded by the resignation of the Chair of Governors. The Chair of the Finance & Audit committee and the Chair of the HR Committee have held the strategic overview of the Trust in the interim as the Academy are scheduled to join the Mercian Education Trust (MET) in January 2023. During the academic year 2021-22 the board continued to meet virtually. This year also saw the formation of a Local Area Board (LAB) which have met locally in the school each term.

The trustees have implemented the recommendations, and now trustees are:

- 1 Fully aware of their statutory duties, roles and responsibilities
- 2 Understand strategic direction of the school and are able to fulfil them.
- 3 Holding the Headteacher to Account
- 4 Ensuring clear systems are in place to check aspects of the school's work including safeguarding, performance management, use of catch-up funding, and behaviour and exclusions of pupils.
- 5 Ensuring the school's website is compliant with the Department for Education's guidance and contains up to date information relating to governance.
- 6 Manage conflicts of interest through keeping and up-to-date register held by the Clerk/Governor Hub which is accessible to the day-to-day management team. This enables them to ensure the appropriate action is taken when entering into any contractual obligations that may cause a conflict of interest.

Governance Statement  
for the Year Ended 31 August 2022

**Review of Value for Money**

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

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

- A review of ongoing and future SLAs
- A new scheme of delegation to enhance financial management and controls
- Building relationships with key stakeholders in order to establish a stabilisation plan
- The appointment of a Chief Finance Officer

In 2022/ 23 the Academy will continue sound financial management by:

- Continuing to review SLAs
- Transfer to a Multi Academy Trust
- Expansion of provision through Free School bid
- Completing the payback of the EFSA loan (due January 2023)

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Brookfield School Ltd for the period 1 September 2021 to 31 August 2022 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 charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Governance Statement  
for the Year Ended 31 August 2022

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of trustees;
- regular reviews by the Finance and Premises Sub 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 risks

The Board of Trustees has considered the need for a specific internal audit function and has appointed Devon Consultancy on a yearly basis. The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks will likely include:

- purchasing
- income
- payroll and payroll amendments
- cash flow and bank reconciliation
- reporting

On an annual basis, the auditor will report to the Board of directors on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

We confirm that the auditor function will be delivered in line with the schedule of work as planned.

**Review of Effectiveness**

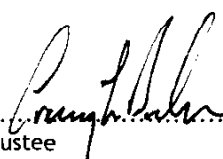
As Accounting Officer Michelle Mannion-Parkes has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

- the work of the Internal reviewer;
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of system of internal control by the Finance and Premises Sub-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 9th December 2022 and signed on its behalf by:

  
.....  
C Bates - Trustee

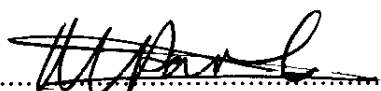
  
.....  
Mrs Michelle Mannion-Parkes - Accounting Officer

Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2022

As accounting officer of The Brookfield School Ltd I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academy Trust Handbook 2021.

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.

  
.....

Mrs Michelle Mannion-Parkes - Accounting Officer

Date: ..... 9/12/22 .....

Statement of Trustees' Responsibilities  
for the Year Ended 31 August 2022

The trustees (who act as governors of The Brookfield School Ltd and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Approved by order of the board of trustees on .....<sup>9<sup>th</sup></sup> December 2022 and signed on its behalf by:

.....  
C Bates - Trustee

### **Opinion**

We have audited the financial statements of The Brookfield School Ltd (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Report of the Independent Auditors to the Members of  
The Brookfield School Ltd

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

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

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

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

**Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academy Trust Handbook 2021, the Academies Accounts Direction 2022, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of  
The Brookfield School Ltd

**Use of our report**

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



Mr Kevin Tong FCCA ACA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: ...20/12/22.....

Independent Reporting Accountant's Assurance Report on Regularity to  
The Brookfield School Ltd and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Brookfield School Ltd during the period 1 September 2021 to 31 August 2022 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 The Brookfield School Ltd and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Brookfield School Ltd 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 The Brookfield School Ltd and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Brookfield School Ltd's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Brookfield School Ltd's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 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 2021 to 2022 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended.
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters.

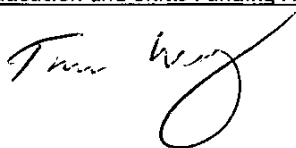
This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Assurance Report on Regularity to  
The Brookfield School Ltd and the Education and Skills Funding Agency

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Reporting Accountant  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS



Date: .....20/12/22.....

The Brookfield School Ltd

Statement of Financial Activities  
for the Year Ended 31 August 2022

					31.8.22	31.8.21
	Notes	Unrestricted fund £	Restricted fixed assets funds £	Restricted general funds £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	-	8,531	9,971	18,502	16,474
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	-	1,919,105	1,919,105	1,706,976
Other trading activities	4	-	-	164,292	164,292	143,083
Investment income	5	79	-	-	79	117
<b>Total</b>		<b>79</b>	<b>8,531</b>	<b>2,093,368</b>	<b>2,101,978</b>	<b>1,866,650</b>
<b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations	7	-	53,992	2,142,426	2,196,418	1,833,910
<b>Total</b>		<b>-</b>	<b>53,992</b>	<b>2,142,426</b>	<b>2,196,418</b>	<b>1,833,910</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>79</b>	<b>(45,461)</b>	<b>(49,058)</b>	<b>(94,440)</b>	<b>32,740</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		-	-	1,384,000	1,384,000	(169,000)
<b>Net movement in funds</b>		<b>79</b>	<b>(45,461)</b>	<b>1,334,942</b>	<b>1,289,560</b>	<b>(136,260)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		157,242	2,270,837	(1,910,575)	517,504	653,764
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>157,321</b>	<b>2,225,376</b>	<b>(575,633)</b>	<b>1,807,064</b>	<b>517,504</b>

The notes form part of these financial statements

The Brookfield School Ltd

Balance Sheet  
31 August 2022

	Notes	31.8.22 £	31.8.21 £
<b>FIXED ASSETS</b>			
Tangible assets	13	2,225,376	2,270,837
<b>CURRENT ASSETS</b>			
Debtors	14	36,013	37,242
Cash at bank and in hand		364,468	300,660
		<u>400,481</u>	<u>337,902</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	(100,793)	(125,710)
<b>NET CURRENT ASSETS</b>		<u>299,688</u>	<u>212,192</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,525,064</b>	<b>2,483,029</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	-	(23,525)
<b>PENSION LIABILITY</b>	20	(718,000)	(1,942,000)
<b>NET ASSETS</b>		<u>1,807,064</u>	<u>517,504</u>
<b>FUNDS</b>	19		
Restricted funds:			
General annual grant		142,046	31,104
Other DfE/ESFA grants		321	321
Pension		(718,000)	(1,942,000)
DfE/ESFA capital grants		12,779	14,548
Transfer on conversion		2,195,138	2,234,280
Capital expenditure funded by GAG		17,459	22,009
		<u>1,649,743</u>	<u>360,262</u>
Unrestricted funds:			
Unrestricted		157,321	157,242
<b>TOTAL FUNDS</b>		<u>1,807,064</u>	<u>517,504</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 9<sup>th</sup> December 2022 and were signed on its behalf by:

  
.....  
C Bates - Trustee

The notes form part of these financial statements

Cash Flow Statement  
for the Year Ended 31 August 2022

	Notes	31.8.22 £	31.8.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	125,773	88,254
Net cash provided by operating activities		<u>125,773</u>	<u>88,254</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(1,878)
Capital grants from DfE/EFA		8,531	8,785
Interest received		79	117
Net cash provided by investing activities		<u>8,610</u>	<u>7,024</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(70,575)</u>	<u>(52,810)</u>
Net cash used in financing activities		<u>(70,575)</u>	<u>(52,810)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>63,808</u>	<u>42,468</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>300,660</u>	<u>258,192</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>364,468</u></u>	<u><u>300,660</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2022

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

	31.8.22 £	31.8.21 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(94,440)	32,740
<b>Adjustments for:</b>		
Depreciation charges	45,461	45,695
Capital grants from DfE/ESFA	(8,531)	(8,785)
Interest received	(79)	(117)
Decrease in debtors	1,229	26,443
Increase/(decrease) in creditors	22,133	(109,722)
Difference between pension charge and cash contributions	160,000	102,000
<b>Net cash provided by operations</b>	<u>125,773</u>	<u>88,254</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21 £	Cash flow £	At 31.8.22 £
<b>Net cash</b>			
Cash at bank and in hand	300,660	63,808	364,468
	<u>300,660</u>	<u>63,808</u>	<u>364,468</u>
<b>Debt</b>			
Debts falling due within 1 year	(70,575)	47,050	(23,525)
Debts falling due after 1 year	(23,525)	23,525	-
	<u>(94,100)</u>	<u>70,575</u>	<u>(23,525)</u>
<b>Total</b>	<u>206,560</u>	<u>134,383</u>	<u>340,943</u>

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 August 2022

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2021 to 2022 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Brookfield School Ltd meets the definition of a public benefit entity under FRS 102.

**Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

At the year end restricted general funds (excluding Fixed Asset funds and Pension Reserve) plus unrestricted funds are in a surplus position of £299,688, in the prior year they were in a surplus position of £188,667, mainly being supported by unrestricted funds. The academy trust is in a period of change and has taken steps to reduce expenditure wherever possible to ensure deficit restricted fund balances do not materialise, see note 19 for further information.

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.

The academy has considered the ongoing effects of Covid 19 and the current economic inflationary pressures on their financial future and are confident there will be no significant effect on them continuing as a going concern.

**Income**

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

**Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

**Sponsorship income**

Sponsorship income provided to the charity which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**1. ACCOUNTING POLICIES - continued**

**Donations**

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

**Other income**

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

**Donated goods, facilities and services**

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

**Donated fixed assets**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities**

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

All resources are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Long leasehold	2% on cost
Improvements to property	4% on cost
Fixtures and fittings	15% on cost
Motor vehicles	20% on cost & 25% reducing balance
Computer equipment	15% & 33% on cost

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

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

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

**Liabilities**

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

**Provisions**

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

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

**Leased Assets**

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

**Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the accounts. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes to the accounts. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

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

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

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently the TPS is 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

The annual valuation at the year end has taken into account the effects of the McCloud judgement.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which will come into effect from 1 April 2023.

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

**Critical accounting judgements and key sources of estimation uncertainty**

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

**Critical accounting estimates and assumptions**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

**Critical accounting judgements and key sources of estimation uncertainty**

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 the notes to the accounts, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Donations	-	9,539	9,539	6,949
Grants	-	8,531	8,531	8,785
School Trips	-	432	432	740
	<u>-</u>	<u>18,502</u>	<u>18,502</u>	<u>16,474</u>

All of the figures included in the comparatives related to restricted funds.

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

	31.8.22 £	31.8.21 £
Capital grants	<u>8,531</u>	<u>8,785</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
<b>DfE/ESFA grants</b>				
General Annual Grant(GAG)	-	900,000	900,000	800,000
Other DfE/EFSA grant				
Other DfE/ESFA grants	-	29,233	29,233	9,363
Pupil Premium	-	67,811	67,811	70,742
Sports Premium	-	16,310	16,310	16,340
	<u>-</u>	<u>1,013,354</u>	<u>1,013,354</u>	<u>896,445</u>
<b>Local Authority</b>				
Local Authority	-	890,381	890,381	783,121
<b>COVID-19 additional funding (DfE/ESFA)s</b>				
Covid Catch-up Premium	-	15,370	15,370	20,400
Other Covid	-	-	-	7,010
	<u>-</u>	<u>905,751</u>	<u>905,751</u>	<u>810,531</u>
	<u>-</u>	<u>1,919,105</u>	<u>1,919,105</u>	<u>1,706,976</u>

2022

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

- The academy received £15k of funding for catch-up premium and costs incurred in respect of this funding totalled £15k

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- The academy received £20k of funding for catch-up premium and costs incurred in respect of this funding totalled £20k
- The academy received £7k of funding from the ESFA and Local Authority for coronavirus emergency support mass testing which covers £7k of educational supplies and cleaning costs. These costs are included in notes 6 and 7 below as appropriate.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Solar panel income	-	5,099	5,099	7,347
Facilities and services	-	90,010	90,010	90,000
Catering income	-	4,950	4,950	3,701
Income from other schools	-	64,233	64,233	42,035
	-	164,292	164,292	143,083

The comparatives include £143,083 related to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Deposit account interest	79	-	79	117

All of the figures included in the comparatives related to unrestricted funds.

**6. EXPENDITURE**

	Non-pay expenditure			31.8.22	31.8.21
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	1,331,288	-	388,350	1,719,638	1,382,907
Allocated support costs	220,717	152,496	103,567	476,780	451,003
	1,552,005	152,496	491,917	2,196,418	1,833,910

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2022**

**6. EXPENDITURE - continued**

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

	31.8.22	31.8.21
	£	£
Auditors' remuneration	12,120	12,000
Other non-audit services	2,896	2,425
Depreciation - owned assets	45,461	45,695
Operating lease payments	18,536	20,865
	<u>          </u>	<u>          </u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
Direct costs	-	1,719,638	1,719,638	1,382,907
Support costs	-	476,780	476,780	451,003
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	2,196,418	2,196,418	1,833,910
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	31.8.22 Total £	31.8.21 Total £
<b>Analysis of support costs</b>		
Support staff costs	220,717	212,139
Depreciation	7,719	7,953
Administrative supplies	14,751	21,736
Premises costs	152,496	132,561
Other support costs	66,081	62,189
Governance costs	15,016	14,425
	<u>          </u>	<u>          </u>
Total support costs	476,780	451,003
	<u>          </u>	<u>          </u>

All of the figures included in the comparatives related to restricted funds.

**8. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Academy's educational operations	461,764	15,016	476,780
	<u>          </u>	<u>          </u>	<u>          </u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**9. STAFF COSTS**

	31.8.22	31.8.21
	£	£
Wages and salaries	1,166,823	970,327
Social security costs	96,407	76,877
Operating costs of defined benefit pension schemes	282,166	247,870
	<hr/>	<hr/>
Supply teacher costs	1,545,396	1,295,074
	6,609	52,827
	<hr/>	<hr/>
	<u>1,552,005</u>	<u>1,347,901</u>

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

	31.8.22	31.8.21
Management	5	4
Teaching	12	9
Admin and support	37	31
	<hr/>	<hr/>
	<u>54</u>	<u>44</u>

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

	31.8.22	31.8.21
£70,001 - £80,000	1	1
	<hr/>	<hr/>

Key management

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £257,886 (2021: £179,502).

**10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

M Parkes	Remuneration	£70,000 - £75,000	(2021: £70,000 - £75,000)
	Employers Pension Contributions	£15,000 - £20,000	(2021: £15,000 - £20,000)

Remuneration for governors appointed and resigning during the year are only stated for the period the individual was acting as a governor.

Other related party transactions involving the trustees are set out in the notes to the financial statements.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2022 is included in the total insurance cost.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fixed assets funds £	Restricted general funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	8,784	7,690	16,474
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	1,706,976	1,706,976
Other trading activities	-	-	143,083	143,083
Investment income	117	-	-	117
<b>Total</b>	<u>117</u>	<u>8,784</u>	<u>1,857,749</u>	<u>1,866,650</u>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	-	52,601	1,781,309	1,833,910
<b>Total</b>	<u>-</u>	<u>52,601</u>	<u>1,781,309</u>	<u>1,833,910</u>
<b>NET INCOME/(EXPENDITURE)</b>	117	(43,817)	76,440	32,740
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	-	-	(169,000)	(169,000)
<b>Net movement in funds</b>	<u>117</u>	<u>(43,817)</u>	<u>(92,560)</u>	<u>(136,260)</u>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	157,125	2,314,654	(1,818,015)	653,764
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>157,242</u>	<u>2,270,837</u>	<u>(1,910,575)</u>	<u>517,504</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**13. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 September 2021 and 31 August 2022	2,473,273	66,059	20,703	47,934	2,607,969
<b>DEPRECIATION</b>					
At 1 September 2021	264,194	15,376	11,599	45,963	337,132
Charge for year	37,742	2,642	3,106	1,971	45,461
At 31 August 2022	301,936	18,018	14,705	47,934	382,593
<b>NET BOOK VALUE</b>					
At 31 August 2022	2,171,337	48,041	5,998	-	2,225,376
At 31 August 2021	2,209,079	50,683	9,104	1,971	2,270,837

On conversion land and buildings with the value of £2,473,273 lease to the academy on a 125 year lease, included within this value is non depreciated land valued at £586,173.

Included within Improvements to Property are photovoltaic panels that were purchased through a loan from Herefordshire Council at a book value of £35,000.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.22 £	31.8.21 £
Trade debtors	6,366	2,156
VAT	4,166	8,338
Prepayments and accrued income	25,481	26,748
	<u>36,013</u>	<u>37,242</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.22 £	31.8.21 £
Other loans (see note 17)	23,525	70,575
Trade creditors	-	1,452
Social security and other taxes	53,134	43,824
Other creditors	21,081	-
Accrued expenses	3,053	9,859
	<u>100,793</u>	<u>125,710</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

31.8.22	31.8.21
£	£
Other loans (see note 17)	
-	23,525
<u>-</u>	<u>23,525</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	31.8.22	31.8.21
	£	£
Amounts falling due within one year on demand:		
Other loans	23,525	70,575
	<u>23,525</u>	<u>70,575</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	-	23,525
	<u>-</u>	<u>23,525</u>

Included in loans is a loan from the ESFA which was received to support the restructuring staff costs. The loan is repayable in monthly instalments from January 2021.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

		Restricted		31.8.22
	Unrestricted	fixed	Restricted	Total
	fund	assets	general	funds
	£	funds	funds	£
Fixed assets	-	2,225,376	-	2,225,376
Current assets	157,321	-	243,160	400,481
Current liabilities	-	-	(100,793)	(100,793)
Long term liabilities	-	-	-	-
Pension liability	-	-	(718,000)	(718,000)
	<u>157,321</u>	<u>2,225,376</u>	<u>(575,633)</u>	<u>1,807,064</u>

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

		Restricted		31.8.21
	Unrestricted	fixed	Restricted	Total
	fund	assets	general	funds
	£	funds	funds	£
Fixed assets	-	2,270,837	-	2,270,837
Current assets	157,242	-	180,660	337,902
Current liabilities	-	-	(125,710)	(125,710)
Long term liabilities	-	-	(23,525)	(23,525)
Pension liability	-	-	(1,942,000)	(1,942,000)
	<u>157,242</u>	<u>2,270,837</u>	<u>(1,910,575)</u>	<u>517,504</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**19. MOVEMENT IN FUNDS**

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
<b>Restricted general funds</b>			
General annual grant	31,104	110,942	142,046
Other DfE/ESFA grants	321	-	321
Pension	(1,942,000)	1,224,000	(718,000)
DfE/ESFA capital grants	14,548	(1,769)	12,779
Transfer on conversion	2,234,280	(39,142)	2,195,138
Capital expenditure funded by GAG	22,009	(4,550)	17,459
	<u>360,262</u>	<u>1,289,481</u>	<u>1,649,743</u>
<b>Unrestricted fund</b>			
Unrestricted	157,242	79	157,321
	<u>517,504</u>	<u>1,289,560</u>	<u>1,807,064</u>
<b>TOTAL FUNDS</b>			

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General annual grant	899,999	(789,057)	-	110,942
Other DfE/ESFA grants	29,232	(29,232)	-	-
Other restricted	1,064,646	(1,064,646)	-	-
Pension	-	(160,000)	1,384,000	1,224,000
DfE/ESFA capital grants	8,531	(10,300)	-	(1,769)
Transfer on conversion	-	(39,142)	-	(39,142)
Capital expenditure funded by GAG	-	(4,550)	-	(4,550)
Other DfE/ESFA - Covid Catch-up Premium	15,370	(15,370)	-	-
Other DfE/ESFA - Pupil Premium	67,810	(67,810)	-	-
Other DfE/ESFA - Sports Premium	16,311	(16,311)	-	-
	<u>2,101,899</u>	<u>(2,196,418)</u>	<u>1,384,000</u>	<u>1,289,481</u>
<b>Unrestricted fund</b>				
Unrestricted	79	-	-	79
	<u>2,101,978</u>	<u>(2,196,418)</u>	<u>1,384,000</u>	<u>1,289,560</u>
<b>TOTAL FUNDS</b>				

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

## 19. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
<b>Restricted general funds</b>			
General annual grant	(153,826)	184,930	31,104
Other DfE/ESFA grants	825	(504)	321
Pension	(1,671,000)	(271,000)	(1,942,000)
DfE/ESFA capital grants	14,438	110	14,548
Transfer on conversion	2,273,422	(39,142)	2,234,280
Capital expenditure funded by GAG	26,794	(4,785)	22,009
Other DfE/ESFA - Pupil Premium	316	(316)	-
Other DfE/ESFA - Sports Premium	5,670	(5,670)	-
	<u>496,639</u>	<u>(136,377)</u>	<u>360,262</u>
<b>Unrestricted fund</b>			
Unrestricted	157,125	117	157,242
<b>TOTAL FUNDS</b>	<u>653,764</u>	<u>(136,260)</u>	<u>517,504</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General annual grant	799,999	(615,069)	-	184,930
Other DfE/ESFA grants	9,363	(9,867)	-	(504)
Other restricted	933,895	(933,895)	-	-
Pension	-	(102,000)	(169,000)	(271,000)
DfE/ESFA capital grants	8,784	(8,674)	-	110
Transfer on conversion	-	(39,142)	-	(39,142)
Capital expenditure funded by GAG	-	(4,785)	-	(4,785)
Other DfE/ESFA - Covid Catch-up Premium	20,400	(20,400)	-	-
Other DfE/ESFA - Pupil Premium	70,742	(71,058)	-	(316)
Other DfE/ESFA - Sports Premium	16,340	(22,010)	-	(5,670)
Other DfE/ESFA - Other Covid Funding	7,010	(7,010)	-	-
	<u>1,866,533</u>	<u>(1,833,910)</u>	<u>(169,000)</u>	<u>(136,377)</u>
<b>Unrestricted fund</b>				
Unrestricted	117	-	-	117
<b>TOTAL FUNDS</b>	<u>1,866,650</u>	<u>(1,833,910)</u>	<u>(169,000)</u>	<u>(136,260)</u>

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

- General Annual Grant (GAG): 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 the year end.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: are utilised for the purposes intended by the donor.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**19. MOVEMENT IN FUNDS - continued**

- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.
- Transfers between funds: are made to reflect capital items purchased out of revenue funds.

**Funds in deficit and going concern**

Due to the accounting requirements of the Local Government Pension Scheme (LGPS), we are recognising a significant pension fund deficit. Where this creates a deficit in the restricted general fund this does not mean that an immediate liability for this amount arises. The deficit position of the pension scheme results in a cash flow effect for the Academy Trust in the form of an increase in employers' pension contributions.

The trust is carrying a net surplus of £299,688 (2021: Surplus of £188,667) on restricted general funds (excluding fixed asset funds and pension reserve) plus unrestricted funds.

At the beginning of the 2020 financial year there was a complete replacement of the Board of Trustees who established an operational and financial plan, which included a review of the staffing structure.

The Financial Action plan developed for the previous year has been followed, which has enabled the school to move from a deficit budget to a surplus budget. The new Board of Trustees have continued to work tirelessly with the Headteacher to ensure that prudent financial management has been monitored monthly and that new processes and procedures are being consistently adhered to. The cash flow of funds is reviewed monthly by the CFO and shared with the Board.

The school has maintained close links with ESFA to provide evidence that sound financial planning and scrutiny is being maintained and working towards removing the Financial Notice to Improve.

**20. PENSION AND SIMILAR OBLIGATIONS**

The charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £30,777 were payable to the schemes at 31 August 2022 (2021 - £26,365) and are included within creditors.

**Teachers' pension scheme**

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

**Valuation of the teachers' pension scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £140,017 (2021 - £110,638).

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

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £173,589 (2021: £158,246), of which employer's contributions totalled £142,605 (2021: £130,520) and employees' contributions totalled £30,983 (2021: £27,726). The agreed contribution rates for future years are 17.5% for employers and between 5.5% and 12.5% for employees.

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

As the scheme is in deficit, the academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable will be the Future Service Rate of 17.5% of payroll plus phased lump sum deficit contributions starting at £43,000 for the year 2020/21, increasing to £44,700 for 2021/22 and £46,400 for 2022/23. The rate payable from 1 April 2023 will be further revised following the valuation of the Pension Fund on 31 March 2022.

The current estimated recovery period is 12 years.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which will come into effect from 1 April 2023.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Present value of funded obligations	(2,144,000)	(3,247,000)
Fair value of plan assets	1,426,000	1,305,000
	<u>(718,000)</u>	<u>(1,942,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(718,000)</u>	<u>(1,942,000)</u>
Net liability	<u><u>(718,000)</u></u>	<u><u>(1,942,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Current service cost	269,000	203,000
Net interest from net defined benefit asset/liability	31,000	28,000
Past service cost	-	-
	<u>300,000</u>	<u>231,000</u>
Actual return on plan assets	<u><u>(31,000)</u></u>	<u><u>192,000</u></u>

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

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening defined benefit obligation	3,247,000	2,664,000
Current service cost	269,000	203,000
Contributions by scheme participants	31,000	28,000
Interest cost	54,000	47,000
Actuarial losses/(gains)	216,000	342,000
Benefits paid	(19,000)	(37,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(21,000)	-
Actuarial (gains)/losses from changes in financial assumptions	<u>(1,633,000)</u>	<u>-</u>
	<u><u>2,144,000</u></u>	<u><u>3,247,000</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening fair value of scheme assets	1,305,000	993,000
Contributions by employer	142,000	131,000
Contributions by scheme participants	31,000	28,000
Expected return	23,000	19,000
Actuarial gains/(losses)	(54,000)	173,000
Benefits paid	(19,000)	(37,000)
Assets administration expenses	(2,000)	(2,000)
	<u>1,426,000</u>	<u>1,305,000</u>

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

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	21,000	-
Actuarial (gains)/losses from changes in financial assumptions	1,633,000	-
Actuarial gains/(losses)	<u>1,384,000</u>	<u>(169,000)</u>
	<u>3,038,000</u>	<u>(169,000)</u>

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

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Equities	1,046,000	1,086,000
Bonds	39,000	1,000
Property	118,000	57,000
Cash/liquidity	26,000	33,000
Other	197,000	128,000
	<u>1,426,000</u>	<u>1,305,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.22	31.8.21
Discount rate	4.30%	1.70%
Future salary increases	4.30%	4.30%
Future pension increases	2.90%	2.90%
CPI inflation rate	2.80%	2.80%

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**20. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	31.8.22	31.8.21
Retiring today		
Males	22.6	22.7
Females	25	25.1
Retiring in 20 years		
Males	24.1	24.4
Females	27	27.1

Sensitivity analysis

	31.8.22	31.8.21
	£	£
Discount rate +0.1%	(46,000)	(70,000)
Discount rate -0.1%	47,000	72,000
Mortality assumption - 1 year increase	44,000	104,000
Mortality assumption - 1 year decrease	(43,000)	(101,000)
CPI rate +0.1%	48,000	72,000
CPI rate -0.1%	(47,000)	(70,000)

**21. CONTINGENT LIABILITIES**

There are no contingent liabilities to disclose.

**22. CAPITAL COMMITMENTS**

	31.8.22	31.8.21
	£	£
Contracted but not provided for in the financial statements	-	-

**23. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES**

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

	31.8.22	31.8.21
	£	£
Within one year	3,832	18,536
Between one and five years	2,194	6,026
	<u>6,026</u>	<u>24,562</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

**24. RELATED PARTY DISCLOSURES**

No related party transactions took place in the period of account.

**25. POST BALANCE SHEET EVENT**

As mentioned in the Trustees report, it is the intention of Brookfield School to enter into the Mercian Trust during 2023.