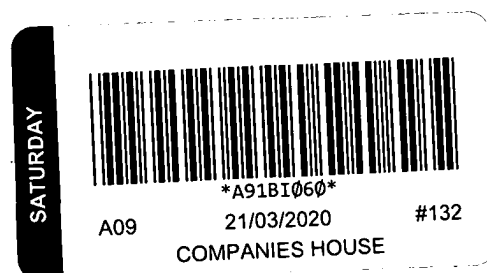


COMPANY REGISTRATION NUMBER 10027322

BRENT SPECIALIST ACADEMY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 AUGUST 2019



AUDIT FOR BUSINESS DEVELOPMENT AND SOLUTIONS LIMITED

Chartered Accountants & Statutory Auditor
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

BRENT SPECIALIST ACADEMY TRUST

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YEAR ENDED 31 AUGUST 2019

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BRENT SPECIALIST ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 AUGUST 2019

Registered charity name Brent Specialist Academy Trust

Company registration number 10027322

Registered office C/o Manor School
Chamberlayne Road
Kensal Rise
London
NW10 3NT

Members

Judith Enright	-	Headteacher of Queens Park Community School
Stephen Hull	-	former Chair of Governors of Manor School and former BSAT Trustee
Simon Pink	-	Accountant at Elliot Foundation
Yasmin Sher	-	parent
Robert Anderson	-	former LA Assistant Director of Education/HR consultant

Trustees

The trustees who served the charity during the period were as follows:

Ms J E Jardine – CEO

Mr J C D Roseveare – Chair of Trustees (appointed 1 November 2016)

Mr P J Sommerfeld – H&S lead trustee (appointed 1 April 2017)

Mr R Drake (appointed 22 February 2018) – Chair of Finance and Resources

Mr L W Lumsden - Vice Chair (appointed 22 February 2018) – Vice Chair/Safeguarding lead trustee

Mr D Newby (resigned 31 August 2019)

Dr R N Ough (resigned 14 June 2019)

Ms Therese McNulty (appointed 31 October 2018) – Standards and Curriculum lead trustee

Executive Leadership Team:

Executive Head/CEO	- Jayne Jardine
Director of partnerships and safeguarding	- Louise Kimber
Director of education and standards	- Margaret O'Connor
Head of finance and administration	- Janice Alexander

Auditor

Audit for Business Development and Solutions Limited
Chartered Accountants
& Statutory Auditor
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

Bankers

Santander
2 Triton Square
Regent's Place
London
NW1 3AN

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates Manor School and the Avenue. Manor School is a primary special academy for pupils aged 4 to 11 serving a catchment area in Kensal Rise. It has a pupil capacity of 190 and had a roll of 195 in the school census 2018/19. The Avenue is an all age special academy with 28 pupils on roll whilst it is operating on its temporary site at Queens Park Community School. The Avenue will grow its roll to 104 pupils once it moves to its permanent site in 2021.

The company was incorporated on 25 February 2016 and was dormant throughout the period to 31 August 2016. Manor School obtained academy status on 1 April 2017. The Avenue School operated as a satellite of Manor School prior to obtaining free school status in September 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, Governance and Management Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Brent Specialist Academy Trust are also the directors of the charitable company for the purposes of company law.

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The Subscriber Members may appoint up to 8 Trustees.

The Academy Trust shall comprise of not less than three Trustees (unless otherwise determined by ordinary resolution). Up to eight Trustees shall be appointed by the members by ordinary resolution. Trustees may appoint an unlimited number of Co-opted Governors.

The Executive Head/CEO is an *ex officio* Governor and has no fixed term of appointment as a Governor.

From time to time Trustees use specialist recruiters, Academy Ambassadors and Inspiring Governors, to find individuals with the right skills and aptitude to strengthen the Board.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees have one to one induction sessions with the Chair and agree a Personal Development Plan, and the CEO. They are provided with an induction pack, including copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees, and given a tour of the schools. Trustees are provided with access to the online resource, *GovernorHub*.

Trustees are offered DfE funded training opportunities through the appointed delivery agent Entrust, and are also encouraged to source and attend relevant training courses, seminars and conferences.

All Trustees attend termly training on key policies/information i.e. KCSIE.

Organisational Structure

The unified management structure consists of three levels: the Trustees, the Executive Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The BSAT Executive Leadership Team is made up of the CEO, a Director of Education and Standards, a Director of Partnerships and Safeguarding, a Head of Communications, IT and Data, a Head of Therapy, a Head of Finance and Administration and a Head of Inclusion and Family Liaison. In addition to this, each School has a Head Teacher. The Executive Leadership Team oversees the work of the Trust schools at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Executive Leadership Team is responsible for the authorisation of expenditure within agreed budgets and the appointment of school leadership team staff, although appointment boards for some posts in the Senior Leadership Team i.e. Head teacher always includes at least one Trustee. Some spending control is devolved to members of the school Leadership Team, with limits above which a member of the Executive Leadership Team must countersign.

Arrangements for setting pay and remuneration of key management personnel

The Pay Committee is a sub-committee of the Finance and Resources Committee and meets annually to determine leadership pay. All staff on the leadership team are on defined pay scales with a lower and an upper limit. The pay scales are taken from the School Teachers Pay and Conditions Document. In the case of the Executive Leadership Team and the school's Senior Leadership Team the CEO will make recommendations for any pay progression to the committee based on the annual performance management process. Similarly the committee will consider any pay progression for the CEO based on their annual performance review. The CEO pay and performance is reviewed annually by two trustees and an independent expert external reviewer and consistency with national guidance (July 2019), taking into account prevailing market conditions, and benchmarked comparison data provided by the external solicitors.

Trade union facility time

Employees in BSAT

50 to 1,500 employee category

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

Trade union representatives and full-time equivalents

Trade union representatives: 3

FTE trade union representatives: 3

Percentage of working hours spent on facility time

0% of working hours: 0 representatives

1 to 50% of working hours: 3 representatives

51 to 99% of working hours: 0 representatives

100% of working hours: 0 representatives

Total pay bill and facility time costs

Total pay bill: £5,451,609

Total cost of facility time: £1,157

Percentage of pay spent on facility time: 0.02%

Paid trade union activities

Hours spent on paid facility time: 58

Hours spent on paid trade union activities: 14

Percentage of total paid facility time hours spent on paid TU activities: 24.14%

Related Parties and other Connected Charities and Organisations

BSAT is an active member of the Brent Schools Partnership which aims to promote co-operative working between Brent schools in relation to recruitment, purchasing and staff development.

Trust Objectives and Activities

Objects and Aims

The principal activities are to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The principal object and activity of the charitable company is the operation of Manor and Avenue Schools to provide a highly specialist teaching environment for pupils with a range of special educational needs.

In accordance with the Articles of Association the school has adopted a 'Scheme of Governance' approved by the Secretary of State for Education. The Scheme of Governance specifies, among other things, the basis for admitting students to the school, and that the curriculum should comply with the substance of the National Curriculum.

Our **Trust Mission** is to give all of our pupils an outstanding education which enables them to explore, think, discover, create and achieve and so realise their full potential.

Our **Vision** is for all:

Our pupils to thrive in their schools, developing respect, resilience and a lifelong love of learning, thus equipping them for a positive future.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

Our schools to be inspirational learning environments with outstanding teaching and learning, together with a strong ethos of caring, support and personal development, as well as meaningful connections to the local communities they serve.

Our staff to be highly professional and passionate about what they do, feel valued for their work and having a wealth of opportunities to develop themselves, progress their careers and maintain a good work-life balance.

Our Approach

Our approach is based on the support model that came from the national strategy; within the Trust there is significant expertise and a strong track record in supporting and working with schools to deliver excellent outcomes for pupils. This support has included a range of strategies and models for school improvement including: supportive review, highly effective assessment and personalised learning. Our aim is not to grow an empire of schools, but rather our compulsion is to share our proven approach to sustained school improvement for the benefit of children, young people and their communities. All of our Trust schools benefit from partnership working, supported by a network of quality assured services that keep them legal, financially robust, continually improving and enjoying the economies of scale that this brings.

Personalised and enriched learning experience

We believe in providing exceptional educational experiences for all, and our School Promise is part of how we provide this. Each pupil benefits from seminal experiences that help them to develop life experience, curiosity in the world around them, resilience and ambition as they move through the phases of their life. We encourage each of our schools to develop their own unique Promise that supports the needs of their pupils and community. We are passionate about system-led change: our Trust is built upon the principle of schools supporting schools, being open in their approach and readily sharing resources and thinking both within the family and with other schools. Our staff, trustees and local governors are committed to leading by example and live by their unswerving commitment to integrity, transparency and excellence.

Our Trust proactively engages with our parents and the local communities and is continually seeking ways to improve and enhance our education and support service capabilities.

Criteria and/or measures to assess success

We have identified Key Performance Indicators to support us in monitoring the effectiveness of our Trust and its schools. These include:

- Close financial scrutiny and adherence to the AFH
- Compliance checks for Finance, H&S, Buildings, Education, Staffing and HR
- Regular monitoring of standards and pupil outcomes
- BARICS assessment system developed to track pupils progress over time
- Robust Performance Management for all staff
- Regular Trust review

Public Benefit

The school's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

Strategic Report

During the year the Trust continued to work on improving the curriculum and standards across the schools, particularly in light of the new education inspection framework, and on further development of the 'Growing our Own' leadership and development programme.

Success has been demonstrated in the National Schools Awards 2019 where Manor School was named the School of the Year 2019, and in levels of staff retention, currently running 25% above the national average for London schools.

Work towards formally opening The Avenue in September 2019 as a new free school, included extensive engagement with the DfE and ESFA, planning an extension to the temporary accommodation on the site at Queens Park Community School, and working with the DfE and ESFA on planning for the new build 104 place school at Brondesbury Park/Avenue site in 2021.

A bid has been made to run a free school in a London borough.

During the year Trustees met three times in a specially convened Strategy Committee to review our growth strategy. We held a successful group-wide strategy session with Trustees, the new LAB Chairs and the Senior Management Team in July 2019. The Trust is continuing to pursue a strategy of 'measured growth' and agreed to explore the development of BSAT Services.

Summary of BSAT Schools characteristics:

Manor School (SLD/ASD/MLD)	
<ul style="list-style-type: none"> • DfE Number – 304/7006 • Last Ofsted Inspection: July 2016 – Outstanding in all areas • Last Challenge Partner review: January 2019 • Free School Meals/Pupil Premium (PP): 40% FSM/ 50.5% PP (high) • Head of School: Steve Thompson • Principal: Jayne Jardine • Chair of Trust: John Roseveare • Age Range: Reception to Yr. 6 • Roll: 170 • Actual pupil number – 174 EYFS: Reception: 23 Key Stage 1: Y1: 24 Y2: 20 Key Stage 2: Y3: 32 Y4: 24 Y5: 28 Y6: 23 	<p>Attendance:</p> <p>2018/19 – Average – 94.7%</p> <p>2017/18 – Average – 94.8%</p> <p>2016/17 – Average - 94.78%</p> <p>2015/16 – Average - 93.7%</p> <p>2014/15 – Average - 94.3%</p> <p>2013/14 – Average - 93.6%</p> <p><i>National Average is 92.5% (in 2012/13 was 91.8%)</i></p> <p>Exclusions : 0</p> <p>LAC: 1 pupil</p> <p>EAL: 48.9%</p>

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

<u>The Avenue (SLD/Complex needs/ASD)</u> <ul style="list-style-type: none">• DfE Number – TBA (currently part of Manor)• Last Ofsted Inspection: none• Free School Meals/Pupil Premium: 43%• Head of School: Kate Campbell• Principal: Jayne Jardine• Chair of Trust: John Roseveare• Age Range: Reception to Yr. 13• Roll: 28• Actual pupil number – 28	EYFS: 0 Key Stage 1: Y1: 4 Y2: 5 Key Stage 2: Y3: 3 Y4: 5 Y5:6 Y6:5 EAL: 41% Exclusions : 0 LAC: 1 pupil EAL: 41%
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Manor Ofsted July 2016 Inspection judgements = Outstanding

- Effectiveness of leadership and management is outstanding.
- The governance of the school - Governance of the school is very effective.
- Quality of teaching, learning and assessment is outstanding.
- Early years provision is outstanding.

Our annual independent report on performance is carried out by Brent Schools Partnership each by a specialist school improvement partner and they have judged the work and standards at both Manor and the Avenue to be outstanding.

Mobility

We continue to have a very stable roll with very little in year mobility. The stable roll is very positive for both our pupils and for their outcomes/achievements.

Effectiveness of the Trust

During the year the Trust Board undertook two governance effectiveness reviews. The first was external, commissioned from Open Box Consulting in January 2019, and dealt principally with changes we needed to make to our governance structure as we moved toward formal opening of a second school in September 2019.

Based on the findings of the review, a series of detailed recommendations were agreed by the Board in March 2019 to reflect developments set out in new DfE guidance, including both the Governance and Academies Financial Handbooks.

The recommendations covered revisions to procedures a) where there are changes in Governance personnel, b) role descriptions, c) the Scheme of Delegation and d) to the terms of reference for a LAB in the pre-opening phase. Recommendations were also agreed to commit to a formal process of self-evaluation, to the appointment of a governance professional, and to launch a campaign to recruit to the new LAB's.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

The self-evaluation process was carried out in April/May 2019 and consisted of:

- the completion by every Board member of the 50 point DfE competency framework grouped under Strategic Leadership, Accountability, People, Structures, and Evaluation
- one-to-one meetings with the Chair including agreeing Personal Development Plans;
- a review of Board processes including induction, provision of information, and meeting organisation and behaviours;
- a review of the revised Governance Handbook (published March 2019) and other relevant guidance.

The results of the review were reported to the Board in June 2019 and recommendations for improvement agreed covering:

- Clarification and expansion of the role of the Governance Professional;
- The introduction of joint training sessions to take place before each full Board meeting with invites extended to LAB members;
- The newly recruited Governance Professional to be responsible for working with the CEO and Trustees to ensure clearly labelled information is provided on Governor Hub at least 7 days before each Board meeting;
- Commitment by Trustees to: prepare adequately for Board meetings; engage fully with their 'link trustees area (Standards, H&S, Finance etc); and to set up mentoring arrangements with LAB members.

Activities undertaken to further the academy trust's purposes for the public benefit

We work in close partnerships with our parents, community, other schools and organisations to share our best practice and support others. These include:

Parent support groups and training

Conferences and training – both locally and nationally

- Hosting visits etc.
- Sharing policies, knowledge and experience
- Contributing to research with the DfE, IoE and other key educational organisations
- Working closely with our link Local Authorities
- Offering school to school support and school improvement

Achievements and Performance

Pupil Attendance

Our pupil attendance is rigorously monitored and clear daily attendance procedures are in place to ensure our school follow up on any pupil absence. Our attendance rates are very good in comparison with other special schools both nationally and locally.

2018/19 = Average – 94.7%. This is a decrease of 0.1% on 2017/18 and better than the NA.

Pupil Outcomes

We have developed a highly effective, developmental assessment system, BARICs, to track all pupils progress and achievement over time. Senior staff meet with teachers each term to monitor progress to ensure pupils are on track to meet their end of year/Key Stage targets. We compare and share our outcomes with other schools from across Brent, Harrow and Hertfordshire to ensure consistency and to provide comparison. Our pupil outcomes are excellent:

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

2018/19 Pre subject specific pupils

91% of pupils working B1-B4 (Pre-subject specific) achieving targets set against EHCP outcomes

2018/19 Differentiated curriculum

88.2% of BSAT pupils achieving targets set against EHCP outcomes

2018/19 EYFS Pupils

83.3% of EYFS pupils achieving targets set against EHCP outcomes

141 pupils of which 67 (44%) in receipt of PP	Non Pupil Premium Pupils	Pupil Premium Pupils		Non Pupil Premium Pupils	Pupil Premium Pupils
Reading	89.2%	93.7%	Listening	89.4%	91.7%
Writing	93.2%	95.4%	Number	92.1%	96%
Speaking	90.2%	92.7%	Geo&M	95.9%	98.7%
PSHE	88.3%	89.1%	All subjects	91.2%	93.9%

Other Performance Indicators

The following financial performance indicators are monitored by the Trustees:

Average gross income per pupil in 2019 = £31,753

Ratio of staff costs (including support staff costs and therapy costs) to total costs – 86% (2018 85%)

Going Concern

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

FINANCIAL REVIEW

The school's income and expenditure for the period is set out in the Statement of Financial Activities.

The school's income across all funds for the period was £6,802,820 (2018 £6,191,925) and its expenditure was £6,345,720 (2018 £6,040,493) resulting in a surplus for the period of £457,100 (2018 £151,432).

Income and expenditure is separately disclosed by type of fund, as follows:

1. Unrestricted income fund - Total funds carried forward: £314,340 representing net incoming resources during the period.
2. Restricted income funds - Total deficit carried forward £3,219,080 including a deficit on the Local Government Pension Scheme (LGPS) of £4,192,000. This is the main fund through which school income and expenditure passes. These funds must be spent for the benefit of a particular aspect of the school and at the discretion of the Trustees.
3. Restricted Fixed Asset - Total funds carried forward: £8,403,552. This fund relates to the school's fixed assets, including its land and buildings.

Reserves Policy

Cash balances are deposited with UK banks.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

The Trustees review the reserve levels of the school annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that the appropriate level of free reserves should be equivalent to 60 days of average expenditure, approximately £1,043,000. This is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide the ability to deal with unexpected emergencies such as urgent maintenance. Relevant reserves are net current assets for this purpose and approximate to £1,287,000, in excess of the target amount.

Principal Risks and Uncertainties

The Trustees assess the major risks to which the trust schools are exposed to on a regular, at least termly, basis. Our risk register is comprehensive and covers all parts of our operational areas and in particular those relating to operations of the schools including teaching, recruitment, health and safety, school trips, pupil safety and the suitability of facilities. A Risk Register with associated mitigation measures is kept by the CEO and Head of Finance and Administration. Trustees discuss the risk each term with the CEO and as new risks are identified i.e. the impact of a Brexit and cyber crime these risks are added to the register.

In particular the following risk are monitored on a regular basis:

RISK: Stalled decision making at the Funding Agency may result in abortive development work.

MITIGATION: Can be contained within current financial forecasts.

RISK: Reductions in pupil funding from central Government.

MITIGATION: Contingency planning process in place.

RISK: Departmental spending not adequately controlled.

MITIGATION: Strong internal control procedures have been put in place to prevent this happening, managed by the Head of Finance. Quarterly management information provided to the Trustees for oversight purposes. The CEO and Head of Finance meet on a weekly basis to review budget spending and discuss any issues arising.

RISK: Delays to Avenue building programme (outside the Trust's control).

MITIGATION: Specific contingency planning in place

Plans for Future Periods

Over the next 3 years we will:

- Continue to develop a comprehensive specialist schools expansion programme in collaboration with local authorities and the RSC via the presumption route and other partners;
- continue to embed and develop our communications and stakeholder engagement strategy to raise awareness about, and the profile of, the Trust's schools;
- continue to roll out a 'grow your own' leadership and development programme;
- further develop BSAT Services/income generation routes

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2019

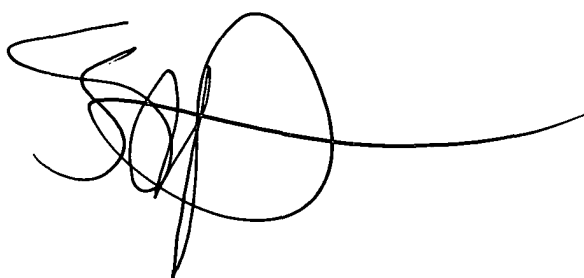
Auditor

In so far as the Trustees are aware:

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

The Trustees' Report, including a strategic report, was approved by order of the board of Trustees, as the company's directors, on 16 December 2019 and signed on the board's behalf by:

John Roseveare
Chair of Trustees

A handwritten signature in black ink, consisting of a large, stylized 'J' and 'R' followed by a horizontal line extending to the right.

BRENT SPECIALIST ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2019

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head/CEO, 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 Brent Specialist Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Ms J E Jardine	4	4
Mr D Newby	4	4
Mr J C D Roseveare	4	4
Mr P Sommerfeld	2	4
Mr Richard Ough	2	3
Mr Richard Drake	1	4
Mr L Lumsden	4	4
Ms T McNulty	3	4

There are two separate sub-committees; Finance and Resources and Risk and Compliance. All matters such as financial strategy and policy, review of the school's income and expenditure, internal control framework, including its financial procedures and risks arising from operations and, in respect of premises, recommendations concerning the condition, use and development of the school's buildings, and to review school's policy on health and safety are considered within these meetings.

Review of Value for Money

As accounting officer the CEO 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by e.g.:

- Improving Educational Results by continuing to enhance CPD opportunities for all staff, supporting teaching and learning across the trust, enhancing our assessment processes; including improving our Pupil Progress meetings and further developing our monitoring and reporting systems (see previous for results).

BRENT SPECIALIST ACADEMY TRUST

GOVERNANCE STATEMENT *(Continued)*

YEAR ENDED 31 AUGUST 2019

- Financial Governance and Oversight by reviewing the terms of reference for our trust's Resources Sub group, appointing a new trustee with extensive financial background and arranging frequent visits to other MATs to share and investigate best financial practice. Trustees review and approve the budget each year and are mindful of the need to balance expenditure against income to ensure the school remains a going concern. Trustees approve the Trustee Report and Financial Statements and the external Auditor's Management Report. They also review budget monitoring reports during the year and three year forecasts of income and expenditure.
- Enhancing our better purchasing procedures by undertaking regular tender exercises to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.
- Enhancing our income generation procedures; this includes supporting the staff members who support this work. We continue to explore opportunities to generate income through the hire of facilities including the swimming pool and halls etc. as well as selling our services, training and assessment programme.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brent Specialist Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

BRENT SPECIALIST ACADEMY TRUST

GOVERNANCE STATEMENT *(Continued)*

YEAR ENDED 31 AUGUST 2019

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

- to continue with the services of School Business Ltd. to provide internal audit services;
- to appoint Audit for Business Development and Solutions Limited, the external auditor, to perform additional checks on a half termly basis.

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

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control account/ bank reconciliations

On a quarterly basis, the **auditor** reports to the board of trustees, through the **resources committee** on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the **resources 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 16 December 2019 and signed on its behalf by:



John Roseveare
Chair of Trustees



Jayne Jardine
Accounting Officer

BRENT SPECIALIST ACADEMY TRUST
STATEMENT ON REGULARITY, PROPRIETY & COMPLIANCE
YEAR ENDED 31 AUGUST 2019

As accounting officer of Brent Specialist Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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.

Jayne Jardine
Accounting Officer



16 December 2019

BRENT SPECIALIST ACADEMY TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2019

The trustees (who act as Trustees of Brent Specialist Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

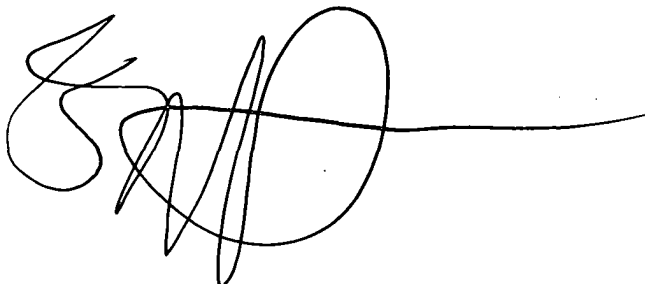
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. Approved by order of the members of the board of trustees on 16 December 2019 and signed on its behalf by:

John Roseveare
Chair of Trustees

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT SPECIALIST ACADEMY TRUST

YEAR ENDED 31 AUGUST 2019

I have audited the accounts of Brent Specialist Academy Trust for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of accounts and for being satisfied that they give a true and fair view.

My responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, I read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

OPINION ON ACCOUNTS

In my opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT SPECIALIST ACADEMY TRUST (Continued)

YEAR ENDED 31 AUGUST 2019

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In my opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

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



Peter James Ham
Senior Statutory Auditor
For and on behalf of
Audit for Business Development and Solutions Limited
Chartered Accountants
& Statutory Auditor
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

16 December 2019

BRENT SPECIALIST ACADEMY TRUST

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

YEAR ENDED 31 AUGUST 2019

In accordance with the terms of my engagement letter dated 15 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, I have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brent Specialist Academy Trust during the period 1 September 2018 to 31 August 2019 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 Brent Specialist Academy Trust and ESFA in accordance with the terms of our engagement letter. My work has been undertaken so that I might state to Brent Specialist Academy Trust and ESFA those matters I am required to state in a report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than Brent Specialist Academy Trust and ESFA, for my work, for this report, or for the conclusion I have formed.

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

The accounting officer is responsible, under the requirements of Brent Specialist Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2017 and the Academies Financial Handbook, extant from 1 September 2018, 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.

My 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 my engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. I report to you whether anything has come to my attention in carrying out my work which suggests that in all material respects, have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

I conducted my engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. I performed a limited assurance engagement as defined in my engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide me 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 me to obtain assurance that I would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, I do not express a positive opinion.

My engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRENT SPECIALIST ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY *(Continued)*

YEAR ENDED 31 AUGUST 2019

The work undertaken to draw my conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the school's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of my financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of my work, nothing has come to my attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Peter James Ham
Reporting Accountant
For and on behalf of
Audit for Business Development and Solutions Limited
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

16 December 2019

BRENT SPECIALIST ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total Funds 2019 £	Total Funds 2018 £
INCOME FROM:						
Donations and capital grants	2	40,074	—	23,233	63,307	152,501
Charitable activities:						
Funding for the school's educational operations	3	—	6,638,829	—	6,638,829	5,912,584
Other trading activities	4	100,101	—	—	100,101	126,261
Investments	5	583	—	—	583	579
TOTAL		140,758	6,638,829	23,233	6,802,820	6,191,925
EXPENDITURE ON:						
Charitable activities:						
School's educational operations	6	—	(6,180,622)	(165,098)	(6,345,720)	(6,040,493)
TOTAL		—	(6,180,622)	(165,098)	(6,345,720)	(6,040,493)
NET INCOME/EXPENDITURE		140,758	458,207	(141,865)	457,100	151,432
Transfer between funds	12	—	(130,855)	130,855	—	—
OTHER RECOGNISED GAINS/(LOSSES)						
Actuarial gain/(loss) on defined benefit pension scheme	24	—	(1,114,000)	—	(1,114,000)	517,000
NET MOVEMENT IN FUNDS		140,758	(786,648)	(11,010)	(656,900)	668,432
RECONCILIATION OF FUNDS						
Total funds brought forward	17	173,582	(2,432,432)	8,414,562	6,155,712	5,487,280
TOTAL FUNDS CARRIED FORWARD		314,340	(3,219,080)	8,403,552	5,498,812	6,155,712

The notes on pages 24 to 41 form part of these accounts.

BRENT SPECIALIST ACADEMY TRUST

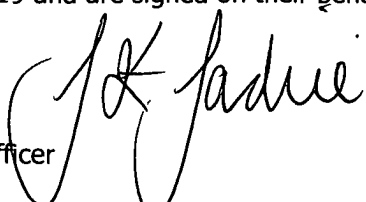
BALANCE SHEET

31 AUGUST 2019

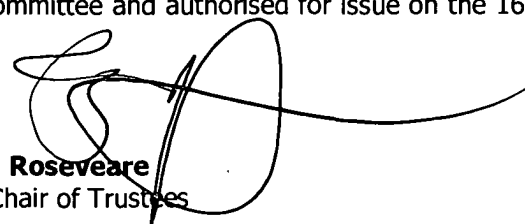
	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	8,403,552	8,414,562
CURRENT ASSETS			
Debtors	14	85,230	121,404
Cash at bank		1,419,820	851,243
		<u>1,505,050</u>	<u>972,647</u>
CREDITORS: Amounts falling due within one year	15	<u>(217,790)</u>	<u>(203,804)</u>
NET CURRENT ASSETS		1,287,260	768,843
CREDITORS: Amounts falling due after more than one year	16	–	(40,693)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,690,812</u>	<u>9,142,712</u>
PROVISIONS FOR LIABILITIES			
Pensions	24	<u>(4,192,000)</u>	<u>(2,987,000)</u>
NET ASSETS		<u>5,498,812</u>	<u>6,155,712</u>
FUNDS			
RESTRICTED FUNDS			
Fixed asset fund	17	8,403,552	8,414,562
Restricted income fund	17	972,920	554,568
Pension reserve/(deficit)	24	<u>(4,192,000)</u>	<u>(2,987,000)</u>
TOTAL RESTRICTED FUNDS	17	<u>5,184,472</u>	<u>5,982,130</u>
Unrestricted income fund	17	<u>314,340</u>	<u>173,582</u>
TOTAL FUNDS	17	<u>5,498,812</u>	<u>6,155,712</u>

These accounts were approved by the members of the committee and authorised for issue on the 16 December 2019 and are signed on their behalf by:

J Jardine
Accounting Officer



J Roseveare
Chair of Trustees



Company Registration Number: 10027322

The notes on pages 24 to 41 form part of these accounts.

BRENT SPECIALIST ACADEMY TRUST

STATEMENT OF CASH FLOWS

31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	722,082	653,148
CASH FLOWS FROM INVESTING ACTIVITIES	21	(153,505)	(197,346)
CASH FLOWS FROM FINANCING ACTIVITIES		—	43,406
CHANGE IN CASH IN THE REPORTING PERIOD		568,577	499,208
CASH AT 1 SEPTEMBER 2018		851,243	352,035
CASH AT 31 AUGUST 2019	22	1,419,820	851,243

The notes on pages 24 to 41 form part of these accounts.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK (FRS 102), the Accounting and Reporting by Charities:

Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

Freehold land and buildings were transferred from the Local Authority on 1 April 2017. A professionally qualified property valuer valued the property on behalf of Brent Council at fair value, being the price that would be received to sell an asset in an orderly transaction between market participants at 1 April 2014. The trustees consider that the valuation was undertaken on a depreciated replacement cost basis and equipment was transferred for £nil consideration and have been included at £nil value except for a few readily identifiable major items.

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. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Grants

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

General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund 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.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other Income

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

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

Assets costing £1,000 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 basis over its expected useful life, as follows:

• Land	No depreciation
• Long leasehold buildings	125 years
• Fixtures, fittings and equipment	5/10 years
• Computer hardware	3 years
• Motor vehicles	5 years

Tangible fixed assets (continued)

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

Liabilities

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

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.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

Pensions Benefits

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

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

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

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

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 and Brent Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Critical accounting estimates and assumptions (continued)

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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 £	Restricted Fixed Asset Fund £	Total Funds 2019 £	Total funds 2018 £
Capital grants	–	–	23,233	23,233	140,631
Donations	40,074	–	–	40,074	11,870
	<u>40,074</u>	<u>–</u>	<u>23,233</u>	<u>63,307</u>	<u>152,501</u>

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2019 £	Total funds 2018 £
Grants receivable					
General annual grant	-	1,747,421	-	1,747,421	1,551,005
Other government grants	-	218,439	-	218,439	-
Pupil premium	-	98,287	-	98,287	95,436
UFSM	-	26,723	-	26,723	25,704
Sports grant	-	17,670	-	17,670	17,500
LB Brent rent grant	-	-	-	-	70,000
SEN top up grant	-	4,530,289	-	4,530,289	4,152,939
	-	6,638,829	-	6,638,829	5,912,584

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2019 £	Total funds 2018 £
Other voluntary income - lettings	41,564	-	-	41,564	64,109
Other voluntary income	58,537	-	-	58,537	62,152
	100,101	-	-	100,101	126,261

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

5. BANK INTEREST RECEIVABLE

	Restricted Funds	Total Funds 2019	Total funds 2018
	£	£	£
Bank interest receivable	583	583	579

6. EXPENDITURE

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2019 £	Total 2018 £
School's educational operations:					
Direct costs	2,207,599	70,000	201,972	2,479,571	2,309,934
Support costs	3,244,010	241,568	380,571	3,866,149	3,730,559
	<u>5,451,609</u>	<u>311,568</u>	<u>582,543</u>	<u>6,345,720</u>	<u>6,040,493</u>

7. ANALYSIS OF SUPPORT COSTS – EDUCATIONAL OPERATIONS

Analysis of educational support costs

	2019 £	2018 £
Support staff costs	3,238,045	3,119,860
Depreciation	143,937	115,606
Technology costs	26,153	16,861
Premises costs	311,568	274,707
Other support costs	129,021	185,828
Governance costs	17,425	17,697
Total support costs	<u>3,866,149</u>	<u>3,730,559</u>

8. NET INCOME/EXPENDITURE

This is stated after charging:

	2019 £	2018 £
Depreciation	143,937	115,606
Auditors' remuneration:		
- audit of the financial statements	11,200	14,500
- other services	—	1,676
Operating lease costs:		
- Other	70,000	70,000

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

9. STAFF COSTS AND EMOLUMENTS

a. Total staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	3,720,383	3,460,617
Social security costs	330,730	298,807
Employer's pension contributions	971,278	964,556
Supply staff cost	425,249	396,333
Apprenticeship levy	3,969	(4,134)
	<u>5,451,609</u>	<u>5,116,179</u>

Other post-retirement benefit costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs.

b. Staff numbers

The average number of employees during the period was as follows:

	2019	2018
	No	No
Teachers	29	26
Administration and support	99	97
Site, school meals and kitchen staff	20	20
	<u>148</u>	<u>143</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension contributions) exceeded £60,000 on an annualised basis was:

	2019	2018
	No	No
£60,001 - £70,000	3	3
£70,001 - £80,000	3	2
£80,001 - £90,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

d. Senior Leadership Team

The key management personnel comprise the Governors and the Senior Leadership Team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was for the period from 1 September 2018 to 31 August 2019 was £529,893 (2018: £686,457).

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

10. RELATED PARTY TRANSACTIONS

One or more trustees has been paid remuneration or has received other benefits from an employment with the school. The CEO and other staff trustees receive remuneration only in respect of services they provide undertaking the roles of CEO and staff, and not in respect of their services as trustees. Other trustees did not receive any payments.

The value of trustees' remuneration and other benefits for the year were:

	2019	2018
J Jardine (CEO and trustee)		
Remuneration	£130,001-£135,000	£125,001-£130,000
Employer's pension contributions	£20,001-£25,000	£20,001-£25,000
D Newby (staff trustee)		
Remuneration	£40,001-£45,000	£40,001-£45,000
Employer's pension contributions	£1-£5,000	£1-£5,000
S Johnson (staff trustee)		
Remuneration	-	£15,001-£20,000
Employer's pension contributions	-	£1-£5,000

Owing to the nature of the school's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the school's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.

11. TRUSTEES AND OFFICERS INSURANCE

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

12. TRANSFERS

Transfers equate fixed assets with fixed asset fund.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

13. TANGIBLE FIXED ASSETS

	Long leasehold property £	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 September 2018	8,261,539	234,706	48,739	29,527	8,574,511
Additions	–	125,993	–	28,095	154,088
Disposals	–	–	–	(29,527)	(29,527)
At 31 August 2019	8,261,539	360,699	48,739	28,095	8,699,072
DEPRECIATION					
At 1 September 2018	93,500	35,084	22,999	8,366	159,949
Charge for the year	66,000	69,529	7,940	468	143,937
On disposals	–	–	–	(8,366)	(8,366)
At 31 August 2019	159,500	104,613	30,939	468	295,520
NET BOOK VALUE					
At 31 August 2019	8,102,039	256,086	17,800	27,627	8,403,552
NET BOOK VALUE At 31 August 2018	8,168,039	199,622	25,740	21,161	8,414,562

14. DEBTORS

	2019 £	2018 £
Trade debtors	32,674	42,895
Other debtors - VAT recoverable	42,057	60,977
Other debtors	–	16,053
Prepayments	10,499	1,479
	85,230	121,404

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	43,504	69,819
Taxation and social security	88,419	77,726
Accruals and deferred income	85,867	53,546
Other creditors – loan repayable within one year	–	2,713
	217,790	203,804
Deferred income at 1 September 2018	15,168	32,688
Released from previous period	(15,168)	(32,688)
Resources deferred in the year	46,190	15,168
Deferred income at 31 August 2019 (grants in received in advance)	46,190	15,168

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

16. CREDITORS: Amounts falling after more than one year

	2019 £	2018 £
Other creditors – loan repayable after more than one year	–	40,693
	<u>–</u>	<u>40,693</u>

17. FUNDS

	At 1st September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31st August 2019 £
Restricted general funds					
General Annual Grant	178,482	1,889,601	(1,340,394)	(130,855)	596,834
Transfer on conversion	376,086	–	–	–	376,086
Other government grants	–	218,439	(218,439)	–	–
SEN top up and other grants	–	4,530,788	(4,530,788)	–	–
Pension reserve	(2,987,000)	–	(91,000)	(1,114,000)	(4,192,000)
	<u>(2,432,432)</u>	<u>6,638,828</u>	<u>(6,180,621)</u>	<u>(1,244,855)</u>	<u>(3,219,080)</u>
Restricted fixed asset funds					
Transfer on conversion	8,342,866	–	–	–	8,342,866
Movements on fixed assets	71,696	23,233	(165,098)	130,855	60,686
	<u>8,414,562</u>	<u>23,233</u>	<u>(165,098)</u>	<u>130,855</u>	<u>8,403,552</u>
Total restricted funds	<u>5,982,130</u>	<u>6,662,061</u>	<u>(6,345,719)</u>	<u>(1,114,000)</u>	<u>5,184,472</u>
Total unrestricted funds	<u>173,582</u>	<u>140,758</u>	<u>–</u>	<u>–</u>	<u>314,340</u>
Total funds	<u><u>6,155,712</u></u>	<u><u>6,802,819</u></u>	<u><u>(6,345,719)</u></u>	<u><u>(1,114,000)</u></u>	<u><u>5,498,812</u></u>

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

General Annual Grant, pupil premium and other grants fund relates to the school's development and educational activities.

Restricted fixed asset fund relates to fixed assets transferred from the state maintained school plus subsequent additions less disposals.

Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

17. FUNDS (continued)

Total funds analysed by school:

	2019 £k	2018 £k
The Avenue	84	-
Manor School	1,203	769
Total before fixed assets and pension reserve	1,287	769
Restricted fixed asset fund	8,404	8,415
Pension reserve	(4,192)	(2,987)
	<u>5,499</u>	<u>6,157</u>

Cost analysis by school:

	Teaching & educational staff costs £k	Other support staff £k	Educational supplies £k	Other costs (excluding depreciation) £k	Total 2019 £k	2018 £k
The Avenue	92	-	-	14	106	-
Manor school	2,116	3,244	154	561	6,075	5,880
Central	-	-	-	-	-	-
	<u>2,208</u>	<u>3,244</u>	<u>154</u>	<u>575</u>	<u>6,181</u>	<u>5,880</u>

	At 1st September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31st August 2018 £
Restricted general funds					
General Annual Grant	-	1,551,005	(1,315,229)	(57,924)	178,482
Transfer on conversion	376,086	-	-	-	376,086
Start up grant	-	208,640	(208,640)	-	-
SEN top up and other grants	50,079	4,152,939	(4,203,018)	-	50,079
Pension reserve	(3,306,000)	-	(198,000)	517,000	(2,987,000)
	<u>(2,879,835)</u>	<u>5,912,584</u>	<u>(5,924,887)</u>	<u>459,706</u>	<u>(2,432,432)</u>
Restricted fixed asset funds					
Transfer on conversion	8,342,866	-	-	-	8,342,866
Movements on fixed assets	(10,623)	140,631	(115,606)	57,294	71,696
	<u>8,332,243</u>	<u>140,631</u>	<u>(115,606)</u>	<u>57,294</u>	<u>8,414,562</u>
Total restricted funds	5,452,408	6,053,215	(6,040,493)	517,000	5,982,130
Total unrestricted funds	34,872	138,710	-	-	173,582
Total funds	<u>5,487,280</u>	<u>6,191,925</u>	<u>(6,040,493)</u>	<u>517,000</u>	<u>6,155,712</u>

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted general funds	Restricted Fixed Asset fund	Total 2019
	£	£	£	£
Tangible fixed assets	-	-	8,403,552	8,403,552
Current assets	314,340	1,190,710	-	1,505,050
Current liabilities	-	(217,790)	-	(217,790)
Pension fund liability	-	(4,192,000)	-	(4,192,000)
	<u>314,340</u>	<u>(3,219,080)</u>	<u>8,403,552</u>	<u>5,498,812</u>

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

	Unrestricted funds	Restricted funds	Restricted Fixed Asset fund	Total 2018
	£	£	£	£
Tangible fixed assets	-	-	8,414,562	8,414,562
Current assets	173,582	799,065	-	972,647
Current liabilities	-	(203,804)	-	(203,804)
Creditor over one year	-	(40,693)	-	(40,693)
Pension fund liability	-	(2,987,000)	-	(2,987,000)
	<u>173,582</u>	<u>(2,432,432)</u>	<u>8,414,562</u>	<u>6,515,712</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the total of the school's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	70,000	70,000
Amounts due between one and five years	-	70,000
	<u>70,000</u>	<u>140,000</u>

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

20. RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net incoming resources before transfers	457,100	151,432
Interest receivable	(583)	(579)
Defined benefit pension scheme cost less contributions payable	84,000	114,000
Defined benefit pension scheme finance cost	7,000	84,000
Depreciation	143,937	115,606
Loss on disposal of tangible fixed assets	21,161	-
Decrease in debtors	36,174	225,769
(Decrease) in creditors	(26,707)	(37,080)
Net cash inflow from operating activities	<u>722,082</u>	<u>653,148</u>

21. CASH FLOW FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest	583	579
Purchase of tangible fixed assets	(154,088)	(197,925)
Cash used in investing activities	<u>(153,505)</u>	<u>(197,346)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 Aug 19 £	31 Aug 18 £
Cash in hand and at bank	<u>1,419,820</u>	<u>851,243</u>

23. MEMBERS' LIABILITY

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

24. PENSION AND OTHER POST-RETIREMENT BENEFITS

The school'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 Surrey County Council. Both are multi employee defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

Contributions amounting to £nil were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The next valuation of the TPS is currently under way and based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £334,447. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year was £842,000 of which employer's contributions were £712,000 and employees' contributions were £130,000.

The agreed contribution rates are 28.6% per cent for employers and 6.5% per cent for employees. Parliament has agreed, at the request of The Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	2.6%	2.6%
Rate of increase for pensions in payment/inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%
Expected return on assets	3.2%	2.2%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2019	Approximate % increase to defined benefit obligation	Approximate monetary amount £000
0.5% decrease to discount rate	16%	981
0.5% increase in the salary increase rate	2%	96
0.5% increase in the pension increase rate	14%	869

The return on the fund in market value terms for the period is estimated based on actual Fund Returns as provided by the Administering Authority and index returns where necessary as 3.2%.

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

	At 31 August 2019	At 31 August 2018
Current pensioners		
Males	21.4	22.3
Females	23.6	24.5
Retiring in 20 years (aged 45 as at the last formal valuation date)		
Males	22.3	24.1
Females	24.9	26.4

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

The school's share of the assets and liabilities in the scheme are as follows:

	31 August 2019	31 August 2018
	£000	£000
Equities	1,473	746
Bonds	264	101
Property	76	40
Cash	76	121
	<hr/>	<hr/>
Total market value of assets	1,889	1,008
Present value of funded scheme liabilities	(6,081)	(3,995)
	<hr/>	<hr/>
(Deficit) in the scheme	(4,192)	(2,987)
	<hr/>	<hr/>

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

	Year to 31 August 2019	Year to 31 August 2018
	£000	£000
Current service cost (net of employee contributions)	91	198
Employer contribution	712	627
Total operating charge	803	825
	2019	2018
	£000	£000
Obligation		
At 1 September 2018	(3,995)	(3,573)
Current service cost	(719)	(741)
Interest cost	(123)	(99)
Employee contributions	(130)	(118)
Benefits paid	44	40
Change in financial assumptions	(1,158)	496
At 31 August 2019	(6,081)	(3,995)
Movements in the fair value of the school's share of scheme assets:		
	2019	2018
	£000	£000
At 1 September 2018	1,008	267
Contributions by members	130	118
Employer contributions	712	627
Benefits paid	(44)	(40)
Return on assets	44	21
Interest income on plan assets	39	15
At 31 August 2019	1,889	1,008

The estimated value of employer's contributions for the year ended 31 August 2020 is £727,000.

25. CONTROLLING PARTY

In the opinion of the trustees there is no controlling party.