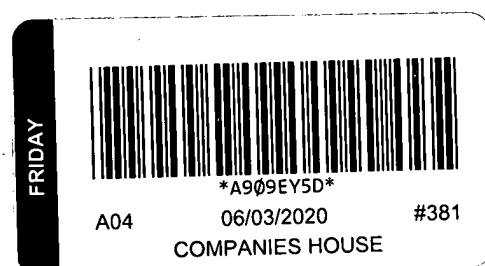


University of Brighton Academies Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019



Company Registration Number: 7185046 (England and Wales)

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## Reference and Administrative Details

<b>Members:</b>	University of Brighton Professor Christopher Pole Jill Elizabeth Gray Gavin Wright (to 13 December 2018)
<b>Trustees:</b>	Arthur Copple Jill Elizabeth Gray Lorraine Harrison Christopher Kirkness Professor Christopher Pole (Chair) Dr John Smith (Chief Executive and Accounting Officer) Janey Walker Mark Whitby (to 23 September 2019) Andrew Wilson Siobhan Denning (from 1 September 2019)
<b>Company Secretary:</b>	Samantha Coates
<b>Executive Management Team:</b> Chief Executive Director of Operational Services Director of Planning, Policy and Governance Director of School Improvement Finance Director and Chief Financial Officer	Dr John Smith Vanessa Norris (to 31/7/19) Samantha Coates Helen Howard Tom Scully
<b>Company Name:</b>	University of Brighton Academies Trust
<b>Principal and Registered Office:</b>	Multi-Academy Trust Office University of Brighton Checkland Building, Room A304, Falmer Campus Village Way Brighton BN1 9PH
<b>Company Registration Number:</b>	07185046
<b>Independent Auditor:</b>	Wilkins Kennedy Audit Services Greytown House 221-227 High Street Orpington Kent BR6 0NZ
<b>Bankers:</b>	Lloyds Bank North Street Brighton BN1 1GL

# University of Brighton Academies Trust

**Solicitors:**

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78-84 Colmore Row  
Birmingham  
B3 2AB

Browne Jacobson LLP  
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## Trustees' Report

### Introduction

The Trustees present their annual report together with the financial statements and Auditors' Report of the University of Brighton Academies Trust for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The University of Brighton Academies Trust has been established for the purpose of advancing education in the United Kingdom for the public benefit. It is sponsored by the University of Brighton.

The Trust operates fifteen academies in Sussex as follows:

Name	Phase	Academy Route (Date joined)	Characteristic	NOR	+ Special Facility	+ Nursery
<b>Hastings</b>						
The Hastings Academy	Secondary	Sponsored (September 2011)	Mainstream with special facility	887	6	
The Baird Primary Academy	Primary	Sponsored (January 2014)	Mainstream with nursery	409		8
Dudley Infant Academy	Infant	Converter (November 2013)	Mainstream	177		
<b>St Leonards</b>						
The St Leonards Academy	Secondary	Sponsored (September 2011)	Mainstream with special facility	1447	16	
Churchwood Primary Academy	Primary	Converter (September 2014)	Mainstream with nursery (a special facility also opened in September 2019)	209	3	34
Hollington Primary Academy	Primary	Converter (September 2014)	Mainstream with nursery	376		40
Rosback Wood Primary Academy	Primary	Converter (September 2014)	Mainstream with nursery	411		91
Silverdale Primary Academy	Primary	Converter (February 2015)	Mainstream	623		
West St Leonards Primary Academy	Primary	Sponsored (November 2013)	Mainstream with special facility	396	12	
<b>Brighton &amp; Hove</b>						
Holmbush Primary Academy	Primary	Converter (April 2015)	Mainstream with nursery	186		18
<b>Mid Sussex</b>						

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Blackthorns Community Primary Academy	Primary	Converter (April 2015)	Mainstream with special facility	208	3	
Lindfield Primary Academy	Primary	Converter (September 2015)	Mainstream	627		
The Burgess Hill Academy	Secondary	Sponsored (September 2016)	Mainstream	885		
<b>Crawley</b>						
Desmond Anderson Primary Academy	Primary	Converter (February 2017)	Mainstream with special facility and nursery	394	17	22
Pound Hill Infant Academy	Infant	Converter (September 2015)	Mainstream	270		
<b>Total</b>				<b>7505</b>	<b>57</b>	<b>213</b>
<b>Grand total</b>				<b>7775</b>		

Further significant expansion of the Trust is not anticipated.

### Overview of our 2018/19 accounts

The Annual Report and Accounts that follow cover the University of Brighton Academy Trust's 15 academies and its central functions. In order to help readers understand how the financial performance of the Trust compares to prior years, the table below and analysis in this section only looks at underlying figures. In both years, it takes the net operating deficit, and adds back significant non-cash accounting entries (relating to the transfers of academies into the trust and a prior year capital income adjustment in 2017/18, and depreciation of fixed assets and an adjustment to the LGPS pension liability in both years). It is, therefore, a comparison of the financial performance of our 15 academies and their overarching structure, prepared on the same basis, and without the impact of non-cash accounting adjustments which mask underlying performance.

£'000s	2018/19		2017/18		Variance	
	Per Accounts	Underlying	Per Accounts	Underlying	£'000	%
<b>Income</b>						
Grant income	40,416	40,416	39,850	38,938	1,438	3.8%
Transfer income	-	-	33,248	-	-	0.0%
Other income	2,118	2,118	2,153	2,153	(35)	-1.6%
Donations	235	235	214	214	21	9.7%
	42,769	42,769	75,465	41,305	1,464	3.5%
<b>Expenditure</b>						
Pay	34,698	32,950	33,728	31,790	1,160	3.6%
Premises	3,949	3,231	4,143	3,104	127	4.1%
Other	6,292	6,292	6,255	6,255	37	0.6%
	44,939	42,473	44,126	41,149	1,324	3.2%
<b>Net Surplus/(Deficit)</b>	<b>(2,170)</b>	<b>296</b>	<b>31,339</b>	<b>156</b>	<b>140</b>	

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Key metrics						
Number on Roll	7775	7775	7684	7,684	91	1.2%
Income/pupil (£k)	5.50	5.50	9.82	5.38	0.13	2.3%
Pay cost/pupil (£k)	4.46	4.24	4.39	4.14	0.10	2.4%
Non-pay cost/pupil (£k)	1.32	1.22	1.35	1.22	0.01	0.6%

On this underlying basis, total grant income has increased by £1.4m (3.8%), from £38.9m to £40.4m. This reflects an increase in pupil numbers of 1.2%, and changes to the overall funding formula for academies (including teachers' pay award grants and additional capital income). Non grant income has remained broadly stable at £2.3m. In total, income is up £1.5m (3.5%), and on a per pupil basis income is up 2.3% to £5,500 per pupil.

Increases in grant income have largely met our rising costs, with increases in both pay (£1.2m; 3.6%) and premises (£127k; 4.1%) costs. Other costs remain broadly stable at £6.3m. Pay costs per pupil are therefore up £100 to £4,240 (2.4%) and per pupil non pay costs broadly flat at £1,310.

As a result, the underlying outturn for the year is a moderate surplus of £296k, which is up £140k on the prior year.

### Structure, Governance and Management

#### ***Constitution***

The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the Directors of the charitable company for the purposes of Company Law. The University of Brighton is the sponsor of the Trust.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section above.

#### ***Members' Liability***

Each member of the Trust undertakes to contribute to the assets of the Trust 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***

Every Trustee is indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether criminal or civil, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

#### ***Method of Recruitment and Appointment or Election of Trustees***

In accordance with the Trust's Articles of association, the University of Brighton, as sponsor, may appoint up to nine Trustees. The Chief Executive is an ex-officio Trustee. The Board of Trustees may also co-opt additional Trustees to join the Board.

#### ***Policies and Procedures Adopted for the Induction and Training of Trustees***

The Trust is committed to adopting best practice in all aspects of corporate governance. The current Trustees have been selected on the basis of having experience at Board level in other



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similar organisations. The Trust has established procedures for the induction and training of new Trustees, who may not have the same level of experience. A similar approach is taken to the induction and training of new members of local boards.

### ***Organisational Structure***

The Board of Trustees, which meets at least four times a year (six times a year from 2019/20), is supported by four specialist committees (Education & Standards; Finance & Resources; Risk & Audit; and Remuneration & HR), a Local Board for each academy or group of academies (local board responsibilities include the academy's vision, community engagement and pupil wellbeing, including behaviour, attendance and safeguarding) and a formally constituted Chairs' Forum (comprising trustees and local board chairs). These committees normally meet three times a year.

Each Local Board includes up to two members who are parents of students/pupils in the academy, who are elected by parent of students/pupils in the academy (in the case of local boards which oversee more than one academy, there is one parent representative from each academy). A further member of each Local Board is a member of staff of the academy, who is elected by staff in the academy.

The Trust is managed by the Chief Executive together with an executive leadership team comprising the Executive Director of Planning, Policy and Governance, the Executive Director of Operational Services, the Executive Director of School Improvement and the Finance Director. The Executive Leadership Team oversees all education provision in the Trust, as well as its professional services (Estates and Facilities Management, Finance, Human Resources, ICT, Marketing, and Governance and Admissions).

Academy leadership is led by a Principal supported by a senior leadership team.

All academy Principals, Heads of Professional Service and the Trust's Executive Team form a Senior Management Team. Members work collaboratively, taking joint responsibility for the outcomes of all of our pupils and for the efficient and effective management of the Trust's resources.

A 'Strategic Improvement Group' supports the Executive Director of School Improvement in overseeing school improvement activity across the Trust.

The Trust is a single legal entity which must account separately to the Department for Education in relation to each academy. The Chief Executive is the Trust's Accounting Officer.

### ***Arrangements for setting pay and remuneration of key management personnel***

The pay and remuneration of key management personnel (members of the Executive Team and Academy Principals) is in accordance with the Trust's Leadership Pay Policy. The pay of the Chief Executive, Director of Planning, Policy and Governance, Director of Operational Services and Director of School Improvement is determined by the Board of Trustees. The pay of principals, vice principals and assistant principals is determined by the Remuneration and HR Committee.

### ***Trade Union Facilities Time***

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations, the Trust publishes information about Trade Union Facilities Time.

The reporting is based on data during a 'relevant period', which is 12 months commencing 1 April. The information below is for the relevant period from 1 April 2018 to 31 March 2019.

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## **Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	4.47

## **Percentage of time spent on facility time**

Percentage of time	Number of employees who were relevant union officials
0%	5 (NB – One workplace representative spent 0.08% of time performing paid union activities, although this is reported as 0%)
1%-50%	0
51%-99%	0
100%	0

## **Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£20.23
Provide the total pay bill	£30,032,998
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0%

## **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	100%
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## **Related Parties and other Connected Charities and Organisations**

The Trust currently has one Related Party, which is the sponsor of the Trust: the University of Brighton. The University is also a Member of the Trust. This related party arrangement involves the following transactions:

- The contracts of employment of three members of the Trust's Executive Team and one administrator were held by the University until 31/12/18. The contract of employment of the Chief Executive continues to be held by the University.
- The provision of ad hoc marketing and design support by the University to the Trust
- The provision of ad hoc hospitality and administration (eg access to photocopiers) by the University to the Trust
- The provision of an internal audit service by the University to the Trust
- A range of initial teacher training activity, including a School Direct partnership between the University and the Trust

Each of these are provided 'at cost' and offer considerable value for money for the Trust.

## **Objectives and Activities**

### **Objects and Aims**

The objectives of the Trust as set out in its Articles of Association are specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools".

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The Trust's overall aim and mission is to work collaboratively to help its pupils and everyone connected to its academies to achieve excellence. The Trust's values are excellence, integrity and innovation.

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

The Trust's School Improvement Strategy is based on challenge and support, collaboration, school to school support and professional development. A Strategic Improvement Group oversees school improvement activity, with responsibility for (i) identifying common priorities and co-ordinating trust level actions; (ii) facilitating the sharing of good practice and staff expertise across the trust; (iii) considering how to develop career progression opportunities, including the development of Lead Principals and Expert Practitioners; and (iv) developing and monitoring the trust's annual strategic improvement plans. A strong school improvement team has been developed, drawing on internal expertise and complemented by external experts and support from national teaching schools. Specialist support enables a 'team around the academy' approach, with expertise in leadership, teaching approaches, subject knowledge and pupils' mental health and well-being. The strategy also aims to maximise links with the University's School of Education, in support of the training and professional development of staff.

The Trust has a Strategic Business Plan covering the period 2018-2023, approved by the Board of Trustees, which informs and shapes its work to achieve excellence for its pupils, staff and community. Targets and actions in support of the Strategic Business Plan are agreed annually by the Board of the Trustees.

A Medium Term Financial Plan was developed alongside the Strategic Business Plan and is designed as a tool to support effective planning and decision making to ensure i) the longer term financial sustainability of the Trust; and ii) underpin achievement of the strategic priorities and objectives.

The Trust also has a staff Recruitment and Retention Strategy 2018-2023 to complement the Strategic Business Plan. The strategy is comprised of four themes:

- Staff wellbeing
- Professional development and success planning
- Recruitment processes
- Marketing

### ***Public Benefit***

The Board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. In particular, the Trustees considered how planned activities would contribute to the aims and objectives they have set.

The Trust provides benefits to the public through the achievement of its vision, which is as follows:

"We want to help everyone connected to our academies achieve excellence.

- We share a belief that education transforms lives.
- We equip pupils with the skills to fulfil their potential as global citizens.
- Each of our academies has a rich and creative curriculum to ensure that pupils meet their potential and are inspired to continue learning.
- Pupils' experiences are enriched by the University of Brighton's contribution.
- Our academies have a positive impact on their local communities.
- Parents and carers actively engage with their child's learning and pupils understand the positive role they can play in their wider community.
- Our academies support each other to improve by working together."

## Strategic Report

### Achievements and performance

#### Secondary academies

In 2018/19, the provisional scores for the Trust's secondary academies are:

Academy	Attainment 8	% English 4+	% Maths 4+	Progress 8
The Burgess Hill Academy	43.36 points	75	74	-0.29
The Hastings Academy	37.75 points	63	58	-0.50
The St Leonards Academy	37.69 points	65	55	-0.79

A key priority for improvement in the Trust's secondary academies during 2019/20 is to improve progress overall, especially the progress of disadvantaged students. In support of this, there is greater alignment of the three academies, including restructure of staffing, the curriculum, assessment and a major programme to improve the quality of teaching using the Teacher Effectiveness and Enhancement Programme (TEEP). All teachers will receive training to be accredited as level 1 and in each academy, some staff will be accredited with a higher level so that they can deliver future training for new teachers. Subject leaders have formed networks across the trust in order to share best practice.

#### Primary academies

##### Key Stage 2

Key Stage 2 average attainment and progress across the Trust continued to improve in 2018/19. There is a rising trend in progress overall across the trust and a greater proportion of pupils are reaching the expected standard. However, progress from Key Stage 1 continues to be a priority for individual academies. The Trust average combined attainment measure (those meeting the expected standard in reading, writing and maths combined) has risen from 58% to 65% and is now in line with national. The proportions of pupils reaching expected standard in each of reading, writing and maths are in line with national.

The proportion of pupils reaching the expected standard in reading, writing and mathematics and the progress of pupils in reading, writing and mathematics in each academy in the Trust is set out below.

Academy	% of KS2 pupils reaching the expected standard in reading, writing and maths	Progress in reading	Progress in writing	Progress in maths
Baird	50	-2.4	-1.2	-2.2
Blackthorns	70	+4.5	+2.7	+1.1
Churchwood	45	-1.8	-2.1	-2.1
Desmond Anderson	60	-2.5	-1.7	-1.9
Hollington	60	-1.0	-1.9	-4.4
Holmbush	63	-0.5	-1.3	-2.2
Lindfield	87	+2.5	+0.5	+3.6
Robsack Wood	74	+2.6	+0.4	+1.2
Silverdale	63	-2.1	-1.5	-1.2
West St Leonards	66	-0.7	+1.0	-0.7

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A key priority for improvement in the Trust's primary academies is to continue improve progress between Key Stage 1 and Key Stage 2 in all subjects, especially for disadvantaged pupils.

### *Key Stage 1*

The percentage reaching the expected standard in phonics in each academy in the Trust is set out below.

<b>Academy</b>	<b>% KS1 pupils reaching the expected standard in the phonics check</b>
Baird	80
Blackthorns	93
Churchwood	73
Desmond Anderson	73
Dudley	93
Hollington	76
Holmbush	79
Lindfield	94
Pound Hill	88
Robsack Wood	78
Silverdale	84
West St Leonards	72

Across the Trust, 69% of key stage 1 pupils reached the expected standard in reading, writing and mathematics combined in 2018/19, compared to 65% of pupils nationally. The percentage reaching the expected standard in each academy in the Trust is set out below.

<b>Academy</b>	<b>% KS1 pupils reaching the expected standard in reading, writing and maths</b>
Baird	75
Blackthorns	80
Churchwood	60
Desmond Anderson	63
Dudley	69
Hollington	78
Holmbush	63
Lindfield	81
Pound Hill	61
Robsack Wood	66
Silverdale	63
West St Leonards	62

There continues to be a rising trend of improvement in the percentage of pupils who reached the expected standard in reading, writing and maths by the end of key stage 1. In almost all academies, attainment is in line with or above national averages in each subject. A key target is for all academies to reach at least national averages.

### *Early Years Foundation Stage*

The proportion of pupils who reached a Good level of Development (GLD) in the Early Years Foundation Stage was in line with or above the national average in almost all academies.

<b>Academy</b>	<b>% pupils achieving a good level of development in the early years foundation stage</b>
Baird	75
Blackthorns	80

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Churchwood	67
Desmond Anderson	67
Dudley	80
Hollington	72
Holmbush	77
Lindfield	82
Pound Hill	76
Robsack Wood	82
Silverdale	77
West St Leonards	74

### ***Education developments***

There was significant engagement with Ofsted during 2018/19: there were Ofsted inspections of five academies, all of which achieved an Outstanding or Good judgement. Specifically, Lindfield Primary Academy was judged 'good', with potential for outstanding status; Blackthorns Community Primary Academy was judged as 'outstanding' in all areas; The Baird Primary Academy was judged 'good' in all areas; and The Burgess Hill Academy was judged 'good' in all areas.

The Trust was also praised by Ofsted following a 'multi academy trust summary evaluation' in June 2019. Inspectors praised the Trust's strategic plans which: 'are rightly focused on improving the quality of pupils' educational experiences and outcomes'; the strong leadership in academies which 'leads to a culture of high aspirations, in which dedicated staff use a range of effective approaches to ensure pupils' welfare and safety'; as well as trustees and the executive team, who are 'determined to improve pupils' life chances through providing high-quality education for all of the pupils in their schools'.

Lindfield Primary Academy was praised by the Rt Hon Nick Gibb MP for excellent phonics teaching, which placed the academy in the top 6% of all primary schools in the country. The Baird Primary Academy achieved the prestigious Marjorie Boxall Quality Mark Award for its outstanding nurturing environment and inclusive provision.

The Trust continued to engage with and support the Department for Education's Hastings Opportunity Area delivery plan. In the primary phase, UoBAT led an EYFS literacy programme across the town, with significant progress made in pupils' language skills. Academies also participated in a maths mastery programme and a new approach to teaching reading (Destination Reader). The trust attendance manager led a range of funded activities to improve attendance, with significant rises in several academies.

In the secondary phase, both academies participated in the maths mastery programme and the 'Broadening Horizons' activities. They also made successful bids to improve teaching, make alternative provision for pupils with challenging behaviour, reduce absence (including persistent absence) and reduce exclusions. They have additionally been funded to provide mental health expertise within the academies.

### ***Pupil/student recruitment***

In relation to the recruitment of Year 7 and Reception Year students/pupils to the Trust's academies (for September 2019 entry), the number of applications received from parents increased on 2018 numbers, as have first choice preferences. Many academies are oversubscribed, with waiting lists.

### ***Key Employment Performance Indicators***

The Trustees recognise that the Trust has a broad base of activities and the quality of staff and line managers are critical to its success. The Trust therefore maintains effective recruitment and development policies to ensure rigorous recruitment and performance monitoring processes and procedures are in place to provide employees with opportunities and support for personal development.

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New teachers have continued to be recruited via Teach First, with several existing Teach First teachers continuing to their third or fourth year of employment in the Trust's secondary academies. The Trust's School Direct programme for primary and secondary trainee teachers has continued to expand. High quality Newly Qualified Teachers have also continued to be recruited from a range of Initial Teacher Training providers, in particular the University of Brighton.

The Trust is strongly committed to providing high quality professional and career development opportunities for its staff, and a range of cross-Trust professional development programmes were offered to staff in academies during 2018/19 in order to further develop their skills and expertise. They included a bespoke leadership programme for new and aspiring middle leaders (eg heads of subject or heads of key stages); and a coaching programme for outstanding teachers so that they can lead coaching and support for other teachers.

Equalities, diversity and disability are areas of great importance to the Trust. It is fundamental that people are treated fairly and with respect and dignity. The Trust will not tolerate any discrimination, victimisation or harassment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

A Union Recognition Agreement has continued to be in place all year which establishes a framework for liaison with staff and union representatives. In line with this agreement, Joint Consultative Committee (JCC) meetings took place during the year. A Staff Welfare programme has been in place throughout the year providing a comprehensive support and counselling service for all members of staff.

### ***Key Financial Performance Indicators***

The Trust achieved its operational targets within the budget agreed at the start of the year.

A number of financial indicators and benchmarks are being developed and used to assist Trustees in managing the Trust's financial affairs to ensure efficient operation, liquidity and effective use of resource.

The ratio of staff related expenditure to income was 77% (80% in 2017/18) which was within the defined range (70-80%).

### ***Going Concern***

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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**

### ***Financial Position***

During the 2018/19 year grant income of £40.4 million (2017/18: £39.9 million) was received for the achievement of the academies' educational aims and objectives. This was comprised:

- General Annual Grant funding of £32.6 million (2017/18: £31.2m), including:
  - £2.52 million (2017/18: £2.48m) of Pupil Premium funding for the provision of additional support for disadvantaged students
  - £69.8k (2017/18: £68.2k) of literacy and numeracy catch up premium funding to support Year 7 students who did not achieve the expected standard in reading and maths at the end of key stage 2 (KS2)

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- £211k (2017/18: 229k) of PE and sports premium funding to make additional and sustainable improvements to the quality of physical education, physical activity and sport offered in primary academies
- £496k (2017/18: £215k) of devolved formula capital funding (including an additional capital grant) for capital maintenance requirements
- £829k (2017/18: £1.912m) of capital funding (School Condition Allocation funding and Condition Improvement Funding) to address priority capital maintenance needs.

Additional funds of £230k (2017/18: £260k) have been generated from the letting of academy facilities for educational and community use.

During the year, £44.9 million (2017/18: £44.1m) was expended, resulting in an in year deficit of £2.2 million (2017/18: £1.9m).

The reserves position as at 31 August 2019 was £92.0 million (31 August 2018: £99.3m).

Local Government Pension Scheme (LGPS) Adjustments (due to FRS102) amounted to a net loss of £6.8m million (2017/18: £3.9m gain), taking our Statutory Provision to £11.7 million (2017/18: £4.9m). Pension contributions for 2018/19 are all fully included in the agreed budgets for staffing and this Provision does not create an additional cash burden. Parliament has agreed to a guarantee that, in the event of academy closure, outstanding LGPS liabilities will be met by the Department for Education. The guarantee came into force on 18 July 2013.

### ***Reserves Policy***

Academies are funded on a monthly basis by Department for Education (DfE) grants and income fairly matches expenditure, with around 77% being spent on teaching and other staffing costs.

The Trust has defined the reserves policy to ensure that sufficient funds are accumulated to enable school buildings to be maintained and equipment and ICT assets renewed when required in the foreseeable future, as well ensuring that there are additional funds for school improvement activity and a general reserve to cover any cash flow requirements. To that end, the Trustees have established that the available reserves (i.e. excluding those reserves which relate to fixed assets and the LGPS pensions scheme) should be set at 21 days of annual gross expenditure (excluding non-cash adjustments). The total value of available reserves for this purpose is £2.7m, which equates to 23.4 days as at 31 August 2019 (2017/18: £3.1m; 28.4 days) and so is above the stated reserves target.

Maintaining a level of reserves is essential as the academies have no recourse to any significant income streams other than DfE annual revenue and Multi Academy Trust Capital (School Condition Allocation) Funding.

Accounting for the Local Government Pension Scheme (LGPS) means the accounts recognise a significant pension fund deficit within restricted funds, but this does not mean there is an immediate liability for this amount, rather it reflects the potential for increases in employer pension contributions in future years.

### ***Investment Policy***

The Trust does not hold any investments. Cash balances which are not required for day to day operations are held within 30 day term deposit accounts for the purposes of income generation. Interest earned in the year amounted to £30k (2017/18: £4k)

### ***Principal Risks and Uncertainties***

Trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks. The Board of Trustees is responsible for the Trust's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable



## University of Brighton Academies Trust

assurance against material misstatement or loss. The Trust has developed comprehensive financial and risk management policies which are in accordance with the recommendations laid down in the Academies Financial Handbook issued by the Education and Skills Funding Agency and in line with recognised good practice.

The Trust's Risk and Audit Committee ensures that the Trust's operations and activities are underpinned by sound internal financial control and risk management arrangements. The Trust has a formal internal audit function in partnership with the University of Brighton.

The Trust is concerned to maintain and develop the academies within the grant funding available and has therefore established a process of setting annual budgets and operating a system of budget monitoring and control. The Trust's Medium Term Financial Plan informs budgetary decision making.

The Trust's top risks during 2018/19 (as determined by an assessment of impact and likelihood) were:

- Difficulties in recruiting and retaining high quality staff
- External financial uncertainty
- Failure to secure effective leadership and succession planning
- Poor / declining educational standards
- Lack of engagement with organisational culture
- Declining pupil recruitment
- Serious safeguarding incident
- Poor reputation
- ICT infrastructure failure / major data security breach
- Serious health and safety incident

A comprehensive range of control measures and additional mitigating actions are implemented to minimise the likelihood and impact of these risks. The Trust's risk register is monitored regularly by the Board of Trustees and its Risk and Audit Committee.

### **Fundraising**

Fundraising activity, for example funds raised by Parent Teacher Associations (or similar) or applications for small grants are currently managed locally within academies in the Trust. These funds are used for specific purposes and projects, such as ICT equipment, play equipment, the creation of a forest school area etc. The Trust is considering the development of a more co-ordinated approach in the future.

### **Plans for Future Periods**

The aforementioned Strategic Business Plan sets out the Trust's key objectives and priorities for the period 2018-2023, supported by the Trust's new Medium Term Financial Plan and Recruitment and Retention Strategy. The key objectives to be achieved by 2023 are:

<b>Priority</b>	<b>Overarching objective</b>
School improvement	To achieve continuous improvements to pupil and academy outcomes through an ambitious programme of appropriately and sustainably resourced school improvement targets.
Strategic development	To develop the Trust's professional services to achieve consistent, measurable standards of good practice, service delivery and efficiency within the constraints of the shared resources available.
Staffing	To establish the Trust as the employer of choice for existing and potential new employees at all stages of their careers.

## University of Brighton Academies Trust

Communication and collaboration	To build the Trust's reputation within our academies' communities and beyond as a collaborative and innovative values-led provider of exceptional teaching and learning.
Resources	To secure increased investment in school improvement through setting and achieving enhanced financial efficiency targets and pursuing opportunities for income generation.
Governance and accountability	To set and achieve outstanding standards of governance, accountability and integrity corporately and individually throughout the organisation.

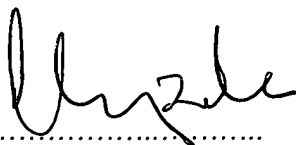
### Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Trust's auditor is 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 auditor is aware of that information.

A resolution proposing that Wilkins Kennedy Audit Services be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees as the Company Directors on 10<sup>th</sup> December 2019 and signed on the Board's behalf by:



.....  
Professor C Pole  
Trustee

## Governance Statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the University of Brighton Academies 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 Chief Executive, as Accounting Officer, for ensuring financial controls conform to 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 University of Brighton Academies Trust and the Secretary of State for Education. The Chief Executive is 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 four times during the 2018/19 year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Arthur Copple	3	4
Jill Elizabeth Gray	4	4
Lorraine Harrison	3	4
Christopher Kirkness	3	4
Professor Christopher Pole (Chair)	3	4
Dr John Smith (Chief Executive and Accounting Officer)	4	4
Janey Walker	3	4
Mark Whitby	4	4
Andrew Wilson	4	4

Effective oversight of the Trust was maintained through the meetings of the Board of Trustees and its comprehensive committee structure. The Trust's four specialist reporting committees Education & Standards, Finance & Resources, Remuneration & HR and Risk & Audit each met at least three times. The Chairs Forum and academy Local Boards also met at least three times during the year.

A major review of the Trust's governance structure was undertaken in 2016/17, and its implementation and effectiveness monitored on an ongoing basis. The constitution of the Board of Trustees was increased to 11 trustees during the year, and minor adjustments have been made to terms of reference of committees. The Trust's Scheme of Delegation is reviewed and updated on an annual basis. An annual Trust Self Evaluation was completed in autumn 2018, using the South East and South London Regional Schools Commissioner's suggested template.

The Education and Standards Committee is responsible for monitoring the Trust's School Improvement strategy and the educational performance and standards achieved by each academy in the trust. It approves and monitors annual targets for each academy. It also oversees attendance, behaviour and safeguarding across the trust. Attendance during the year at meetings of the Education and Standards Committee was as follows:

Committee member	Meetings attended	Out of a possible
Lorraine Harrison (Trustee member) [Chair]	2	2
Dr John Smith (Trustee member)	1	2

## University of Brighton Academies Trust

Mark Whitby (Trustee member)	1	2
Rose Durban (Co-opted member)	2	2
Ian Hughes (Co-opted member)	1	2

The Finance and Resources Committee is responsible for monitoring the Trust's financial strategy and the financial performance of the trust and its academies. It recommends approval of annual budgets and monitors them, along with major capital and asset planning and expenditure. The committee is also responsible for monitoring the Trust's Estates and ICT strategies. It is through this committee that the Board is able to maintain effective oversight of funds. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Arthur Copple (Trustee member) [Chair]	4	4
Jill Elizabeth Gray (Trustee member)	3	4
Dr John Smith (Trustee member)	3	4
Alan Matthews (Co-opted member) to 17 September 2018	1	1
Mike Nichols (Co-opted member)	4	4

The Risk and Audit Committee is responsible for ensuring that the operation of the Trust is underpinned by sound financial controls and risk management procedures. It appoints and oversees the work of the trust's external auditors and internal audit function. It also monitors Health and Safety across the Trust. Attendance during the year at meetings of the Risk and Audit Committee was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Christopher Kirkness (Trustee member) [Chair]	3	3
Lorraine Harrison (Trustee member)	3	3
Mike Bewlock (Co-opted member) to 23 November 2018	0	0
Paul Anthony (Co-opted member) to 7 May 2019	1	2
Andrew Wilson (Trustee member) from 15 February 2019	0	2
James Bradley (Co-opted member) from 6 March 2019	2	2

The Remuneration and HR Committee is responsible for monitoring the Trust's human resources and recruitment strategy and associated HR policies. It appoints senior staff in the Trust and monitors senior staff pay and appraisal. Attendance during the year at meetings of the Remuneration and HR Committee was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jill Elizabeth Gray (Trustee member) [Chair]	3	3
Christopher Kirkness (Trustee member)	3	3
Andrew Wilson (Trustee member)	2	3
Sharon Sorrell (Co-opted member) from 12 June 2019	1	1

### Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the 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 taxpayer resources received.

The Accounting Officer considers how the Trust's use of resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money

## University of Brighton Academies Trust

can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Improving central procurement processes, supported by a procurement specialist, achieving savings of over £60k during the year
- Continuing a major change management project to improve the efficiency and effectiveness of the Trust's professional service functions
- Continuing to provide opportunities for the Trust's most senior leaders to impact on improvements in other Trust academies; for example, the Principal of West St Leonards Primary Academy has provided leadership support to Dudley Infant Academy and the Principal of Blackthorns Community Primary Academy has provided leadership support to Holmbush Primary Academy. This has provided opportunities for sharing good practice and staff expertise, promoting consistency and establishing robust systems and protocols.
- Implementing a range of corporate systems, such as an ICT helpdesk, capital asset system and an online Applicant Tracking System, to improve efficiencies, free staff time and improve management information.

### **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 risks to the achievement of 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 Trust for the year 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 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 Trust's significant risks that has been in place for the year ending 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 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 Resources 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 guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

## University of Brighton Academies Trust

The Board of Trustees has established a specific internal audit function in partnership with the University of Brighton. The internal audit activity includes a range of checks on the Trust's systems. The internal audit programme for 2018/19 was agreed by the Risk and Audit Committee and focused on (i) health and safety management; (ii) use of pupil premium funds; (iii) use of special educational needs funding; (iv) data security; and (v) sickness absence management. The internal auditor has delivered their schedule of work as planned and confirmed in their annual report to the Board that all audits resulted in a reasonable level of assurance. The outcomes of internal audits are reported to the Board of Trustees through the Risk and Audit Committee.

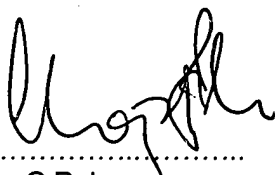
### Review of Effectiveness

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

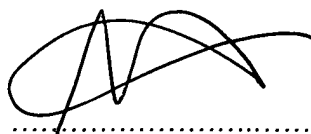
- The work of the internal auditor
- The work of the external auditor
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 10<sup>th</sup> December 2019 and signed on its behalf by:



.....  
Professor C Pole  
Trustee



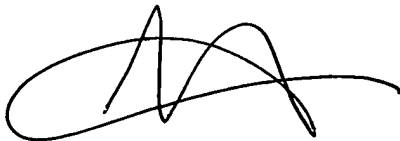
.....  
Dr J Smith  
Accounting Officer

## Statement on Regularity, Propriety and Compliance

As Accounting Officer of the University of Brighton Academies Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the University of Brighton Academies 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.

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

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

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke extending to the right.

Dr J Smith  
Accounting Officer  
10<sup>th</sup> December 2019

## Statement of Trustees' Responsibilities

The Trustees (who act as trustees for the University of Brighton Academies Trust and are also the directors of the University of Brighton Academies Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 Trust 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:

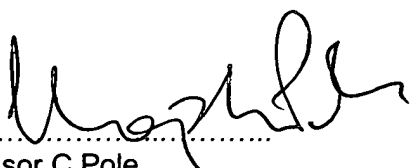
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2018 to 2019;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Trustees on 10<sup>th</sup> December 2019 and signed on its behalf by:



.....  
Professor C Pole  
Trustee



## Independent Auditor's Report to the Members of University of Brighton Academies Trust

### Opinion

We have audited the financial statements of University of Brighton Academies Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## University of Brighton Academies Trust

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

We have nothing to report in this regard.

### **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 directors' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, including the incorporated strategic report.

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

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

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the academy trust'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 directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

## University of Brighton Academies Trust

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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 auditor's 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.

*Wilkins Kennedy Audit Services*

**Michelle Wilkes (Senior Statutory Auditor)**  
**for and on behalf of Wilkins Kennedy Audit Services**

**Statutory Auditor**  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

*18/12/19*

## Independent Reporting Accountant's Assurance Report on Regularity to University of Brighton Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University of Brighton Academies 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 University of Brighton Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the University of Brighton Academies Trust and 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 University of Brighton Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of University of Brighton Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of University of Brighton Academies Trust's funding agreement with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity,

## University of Brighton Academies Trust

where such controls, policies and procedures apply to classes of transactions. 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 as well as additional testing based on our assessment of risk of material irregularity.

### 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 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.

*Wilkins Kennedy Audit Services*

### Reporting Accountant

Wilkins Kennedy Audit Services  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: *18/12/19*.....

# University of Brighton Academies Trust

## Statement of Financial Activities for the year ended 31 August 2019

### Including Income and Expenditure Account

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2019 £000</b>	Total 2018 £000
<b>Income and endowments from:</b>	<b>Note</b>					
Donations and capital grants	3	235	-	1,325	<b>1,560</b>	2,334
Transfer of existing academies into the Trust		-	-	-	-	33,248
Charitable activities:						
Funding for the academy trust's educational operations	4	-	38,934	-	<b>38,934</b>	37,005
Teaching Schools	4,5,28	-	186	-	<b>186</b>	725
Other trading activities	5	2,059	-	-	<b>2,059</b>	2,149
Investments	6	30	-	-	<b>30</b>	4
<b>Total</b>		<b>2,324</b>	<b>39,120</b>	<b>1,325</b>	<b>42,769</b>	<b>75,465</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	7	2,131	41,876	718	<b>44,725</b>	43,455
Teaching Schools	7,28	-	214	-	<b>214</b>	671
<b>Total</b>		<b>2,131</b>	<b>42,090</b>	<b>718</b>	<b>44,939</b>	<b>44,126</b>
<b>Net income / (expenditure)</b>		<b>193</b>	<b>(2,970)</b>	<b>607</b>	<b>(2,170)</b>	<b>31,339</b>
<b>Transfers between funds</b>	18	(631)	1,222	(591)	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	18,26	-	(5,114)	-	<b>(5,114)</b>	3,769
<b>Net movement in funds</b>		<b>(438)</b>	<b>(6,861)</b>	<b>16</b>	<b>(7,284)</b>	<b>35,108</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		3,173	(4,856)	100,998	<b>99,315</b>	64,207
<b>Total funds carried forward</b>		<b>2,735</b>	<b>(11,718)</b>	<b>101,014</b>	<b>92,031</b>	<b>99,315</b>

# University of Brighton Academies Trust

## Statement of Financial Activities for the year ended 31 August 2019

### Including Income and Expenditure Account

#### Comparative year information - Year Ended 31 August 2018

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018
	£000	£000	£000	£000
<b>Income and endowments from:</b>				
Donations and capital grants	166	48	2,120	<b>2,334</b>
Transfer of existing academies into the Trust	276	(1,667)	34,639	<b>33,248</b>
Charitable activities:				
Funding for the academy trust's educational operations	-	37,005	-	<b>37,005</b>
Teaching Schools	-	725	-	<b>725</b>
Other trading activities	1,957	192	-	<b>2,149</b>
Investments	4	-	-	<b>4</b>
<b>Total</b>	<b>2,403</b>	<b>36,303</b>	<b>36,759</b>	<b>75,465</b>
<b>Expenditure on:</b>				
Charitable activities:				
Academy trust educational operations	3	42,413	1,039	<b>43,455</b>
Teaching Schools	-	671	-	<b>671</b>
<b>Total</b>	<b>3</b>	<b>43,084</b>	<b>1,039</b>	<b>44,126</b>
<b>Net income / (expenditure)</b>	<b>2,400</b>	<b>(6,781)</b>	<b>35,720</b>	<b>31,339</b>
<b>Transfers between funds</b>	<b>(2,495)</b>	<b>3,176</b>	<b>(681)</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>				
Actuarial (losses) / gains on defined benefit pension schemes	-	3,769	-	<b>3,769</b>
<b>Net movement in funds</b>	<b>(95)</b>	<b>164</b>	<b>35,039</b>	<b>35,108</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	3,268	(5,020)	65,959	<b>64,207</b>
<b>Total funds carried forward</b>	<b>3,173</b>	<b>(4,856)</b>	<b>100,998</b>	<b>99,315</b>

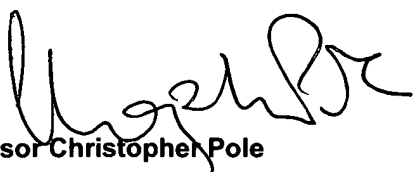
# University of Brighton Academies Trust

## Balance sheet as at 31 August 2019

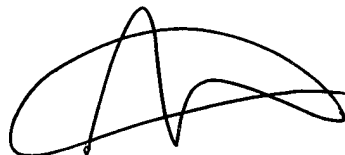
Company Number 07185046

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Tangible assets	13		98,878		99,559
<b>Current assets</b>					
Stock	14	-		3	
Debtors	15	1,260		1,789	
Cash at bank and in hand	24	8,505		6,543	
		<u>9,765</u>		<u>8,335</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(4,894)		(3,485)	
<b>Net current assets</b>			<u>4,871</u>		<u>4,850</u>
<b>Total assets less current liabilities</b>			103,749		104,409
Creditors: Amounts falling due after more than one year	17		-		(238)
<b>Net assets excluding pension liability</b>			<u>103,749</u>		<u>104,171</u>
Defined benefit pension scheme liability	26		(11,718)		(4,856)
<b>Total net assets</b>			<u>92,031</u>		<u>99,315</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	18	101,014		100,998	
Pension reserve	18	(11,718)		(4,856)	
<b>Total restricted funds</b>			89,296		96,142
<b>Unrestricted income funds</b>	18		<u>2,735</u>		<u>3,173</u>
<b>Total funds</b>			<u>92,031</u>		<u>99,315</u>

The financial statements on pages 34 - 55 were approved by the trustees, and authorised for issue on 10th December 2019 and are signed on their behalf by:



**Professor Christopher Pole**  
Chair



**Dr John Smith**  
Chief Executive and Accounting  
Officer



# University of Brighton Academies Trust

## Statement of Cash Flows for the year ended 31 August 2019

	Notes	<b>2019</b> <b>£000</b>	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	21	607	(825)
<b>Cash flows from investing activities</b>	23	1,355	2,124
<b>Cash flows from financing activities</b>	22	-	238
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,962</b>	<b>1,537</b>
<b>Cash and cash equivalents at 1 September</b>		<b>6,543</b>	<b>5,006</b>
<b>Cash and cash equivalents at the 31 August</b>	24	<b>8,505</b>	<b>6,543</b>

# University of Brighton Academies Trust

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

University of Brighton Academies Trust meets the definition of a public benefit entity under FRS 102.

#### **Going concern**

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

#### **Grants receivable**

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 period 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.

# University of Brighton Academies Trust

## Notes to the accounts for the year ended 31 August 2019 (continued)

### Sponsorship income

Sponsorship income provided to the academy trust 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 the receipt is probable and it can be measured reliably.

### 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.

### 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

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

### **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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

### 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.

# University of Brighton Academies Trust

## Notes to the accounts for the year ended 31 August 2019 (continued)

### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

### **Tangible fixed assets and depreciation**

Assets costing £5,000 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 that require 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 and buildings	125 years, land is not depreciated
Computer equipment	3-10 years
Fixtures, fittings & equipment	5 years

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.

### **Leasing commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

### **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.

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

# University of Brighton Academies Trust

## Notes to the accounts for the year ended 31 August 2019 (continued)

### 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 are 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.

### **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.

# University of Brighton Academies Trust

## Notes to the accounts for the year ended 31 August 2019 (continued)

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.

### **2. Critical accounting estimates and areas of judgement**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

##### Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**3 Donations and capital grants**

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£000	£000	£000	£000
Capital Grants	-	1,325	1,325	2,120
Donations	235	-	235	214
	<u>235</u>	<u>1,325</u>	<u>1,560</u>	<u>2,334</u>

**4 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£000	£000	£000	£000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	32,595	32,595	31,217
Start Up Grants	-	27	27	26
Teaching School grants	-	157	157	681
Other DfE/ESFA grants	-	4,199	4,199	4,022
	<u>-</u>	<u>36,978</u>	<u>36,978</u>	<u>35,946</u>
<b>Other Government grants</b>				
Local authority grants	-	2,094	2,094	1,780
Other income from the academy trust's educational operations	-	19	19	4
	<u>-</u>	<u>2,113</u>	<u>2,113</u>	<u>1,784</u>
	<u>-</u>	<u>39,091</u>	<u>39,091</u>	<u>37,730</u>

**5 Other Trading activities**

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£000	£000	£000	£000
Hire of facilities	233	-	233	260
Nursery	253	-	253	226
Catering income	230	-	230	168
Teaching School	-	29	29	44
School to School Support	27	-	27	106
School Trips	390	-	390	564
Before/After school clubs	267	-	267	269
Insurance	253	-	253	273
Student/teacher placement	55	-	55	72
Other income	351	-	351	167
	<u>2,059</u>	<u>29</u>	<u>2,088</u>	<u>2,149</u>

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**6 Investment income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	30	-	30	4
	<u>30</u>	<u>-</u>	<u>30</u>	<u>4</u>

**7 Expenditure**

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
. Direct costs	25,914	679	3,076	29,669	28,802
. Allocated support costs	8,641	3,270	3,145	15,056	14,653
Teaching Schools					
. Direct costs	118	-	65	183	610
. Allocated support costs	25	-	6	31	61
	<u>34,698</u>	<u>3,949</u>	<u>6,292</u>	<u>44,939</u>	<u>44,126</u>

Net income/(expenditure) for the period includes:

	2019 £000	2018 £000
Operating lease rentals	97	240
Depreciation	718	1,039
Fees payable to auditor for:		
- audit	42	46
- other services	2	11
Net interest on defined benefit pension liability	155	189

**8 Charitable Activities**

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	29,669	28,802
Direct costs – teaching schools	183	610
Support costs – educational operations	15,056	14,653
Support costs – teaching schools	31	61
	<u>44,939</u>	<u>44,126</u>



University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

Analysis of costs	Teaching Schools £000	Educational operations £000	Total 2019 £000	Total 2018 £000
<b>Direct Costs</b>				
Teaching and educational support staff costs	118	25,914	26,032	25,079
Staff development	36	219	255	392
Depreciation	-	679	679	1,039
Educational supplies and services	-	1,723	1,723	1,580
Examination fees	-	271	271	160
Educational consultancy	29	362	391	457
Other costs	-	501	501	705
<b>Total direct costs</b>	<b>183</b>	<b>29,669</b>	<b>29,852</b>	<b>29,412</b>
<b>Support costs</b>				
Support staff costs	25	8,641	8,666	8,645
Technology costs	1	851	852	992
Recruitment and support	-	181	181	151
Maintenance of premises and equipment	-	1,632	1,632	1,500
Depreciation	-	39	39	-
Cleaning	-	338	338	371
Energy costs	-	583	583	541
Rent and rates	-	265	265	322
Insurance	-	413	413	370
Security and transport	1	154	155	132
Catering	2	1,174	1,176	1,132
Finance costs	-	161	161	191
Governance costs	2	155	157	137
Other support costs	-	469	469	230
<b>Total support costs</b>	<b>31</b>	<b>15,056</b>	<b>15,087</b>	<b>14,714</b>

**9 Staff**

**a. Staff costs**

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	24,853	24,128
Social security costs	2,257	2,182
Pension costs	5,900	6,090
	<b>33,010</b>	<b>32,400</b>
Supply staff costs	1,396	951
Key management staff	152	319
Staff restructuring costs	140	54
	<b>34,698</b>	<b>33,724</b>

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

Staff restructuring costs comprise:

Redundancy payments	78	-
Severance payments	62	53
Other restructuring costs	-	-
	<b>140</b>	<b>53</b>

**b. Non statutory/non contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual payments totalling £96.4k (2018: £53k). Individually, the payments were: £1.3k, £2.2k, £2.2k, £3.5k, £4.1k, £4.8k, £6.1k, £10.9k, £15k, £23k and £23.3k

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	429	433
Administration and support	699	694
Management	20	20
	<b>1,148</b>	<b>1,147</b>

**d Higher paid staff**

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

	2019 No.	2018 No.
£60,001 - £70,000	11	13
£70,001 - £80,000	7	3
£80,001 - £90,000	1	2
£90,001 - £100,000	3	1
	<b>22</b>	<b>19</b>

**e Key management personnel**

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 £343k (2018: £336k).

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**10 Central Services**

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

- Human Resources
- Financial Services
- Estates Management
- Information and Communication Technology
- Marketing and Communications
- Educational Support Services
- Leadership and Governance

As the trust pools its GAG income, there is no specific charge made to individual school budgets for the provision of those services. Instead, they are funded by a proportion of GAG which is retained centrally for this purpose.

**11 Related Party Transactions - Trustees' Remuneration and Expenses**

Trustees did not receive any payments other than expenses from the academy trust in respect of their role as Trustees. During the year ended 31 August 2019 expenses totalling £706 (2018: £303) were reimbursed to 3 trustees (2018: 3 trustees).

**12 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 £1,000,000 on any one claim. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme.

**13 Tangible Fixed Assets**

	Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
<b>Cost</b>				
At 1 September 2018	102,111	1,420	2,941	106,472
Additions	31	13	-	44
Disposals	-	(7)	-	(7)
At 31 August 2019	102,142	1,426	2,941	106,509
<b>Depreciation</b>				
At 1 September 2018	2,613	1,417	2,883	6,913
Charged in year	679	3	36	718
At 31 August 2019	3,292	1,420	2,919	7,631
<b>Net book values</b>				
At 31 August 2018	99,498	3	58	99,559
At 31 August 2019	98,850	6	22	98,878

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

Land valued at £16,642k is included within land and buildings and is not depreciated.

The academy trust's transactions relating to land and buildings included the acquisition of a Special Facility Unit at Chruchwood Primary Academy, which was purchased by the academy trust from funds donated by the local authority at a value of £31k.

**14 Stock**

	2019	2018
	£000	£000
Catering	-	3
	<u>-</u>	<u>3</u>

**15 Debtors**

	2019	2018
	£000	£000
Trade debtors	196	340
VAT recoverable	441	454
Other debtors	473	855
Prepayments and accrued income	150	140
	<u>1,260</u>	<u>1,789</u>

**16 Creditors: Amounts Falling due within one year**

	2019	2018
	£000	£000
Trade creditors	838	338
Other taxation and social security	523	540
Other creditors	753	503
Accruals and deferred income	2,780	2,104
	<u>4,894</u>	<u>3,485</u>

<b>Deferred income</b>	2019	2018
	£000	£000
Deferred income at 1 September 2018	1,098	1,198
Released from previous years	(1,098)	(1,198)
Resources deferred in the year	1,258	1,098
Deferred Income at 31 August 2019	<u>1,258</u>	<u>1,098</u>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM, School Condition Allocation, Growth Fund, High Needs Top Up Funding and Early Years Advance for the 2019/20 academic year.

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**17 Creditors: Amounts Falling due in greater than one year**

	2019 £000	2018 £000
Other Creditors	-	238
	-	238

Included within other creditors is a loan of £238k from ESFA which is provided as a cashflow advance in relation to the Burgess Hill Academy, and is repayable as a deduction against GAG in 2019/20.

**18 Funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	34,607	(35,358)	751	-
Start Up Grant	-	27	(27)	-	-
Pupil Premium	-	2,520	(2,520)	-	-
Other grants/income	-	1,966	(2,437)	471	-
Pension reserve	(4,856)	-	(1,748)	(5,114)	(11,718)
	<b>(4,856)</b>	<b>39,120</b>	<b>(42,090)</b>	<b>(3,892)</b>	<b>(11,718)</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	1,439	1,325	-	(628)	2,136
General fixed assets	99,559	-	(718)	37	98,878
	<b>100,998</b>	<b>1,325</b>	<b>(718)</b>	<b>(591)</b>	<b>101,014</b>
<b>Total restricted funds</b>	<b>96,142</b>	<b>40,445</b>	<b>(42,808)</b>	<b>(4,483)</b>	<b>89,296</b>
<b>Unrestricted funds</b>					
Unrestricted funds	3,173	2,324	(2,131)	(631)	2,735
<b>Total unrestricted funds</b>	<b>3,173</b>	<b>2,324</b>	<b>(2,131)</b>	<b>(631)</b>	<b>2,735</b>
<b>Total funds</b>	<b>99,315</b>	<b>42,769</b>	<b>(44,939)</b>	<b>(5,114)</b>	<b>92,031</b>

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

**Restricted General Funds:**

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Trust including education and support costs.

Start up grants - includes start up grants received from the ESFA.

# University of Brighton Academies Trust

## Notes to the accounts for the year ended 31 August 2019 (continued)

Other DfE / ESFA grants - includes grants from the ESFA / DfE in relation to rates relief, pupil premium, UIFSM, Year 7 catch up and teachers pay grant.

Other government grants- includes grants from LEA mainly for Early Years Education Entitlement (EYEE) for Nursery and High needs funding to fund further support for students with additional needs.

### Restricted Fixed Asset Funds:

DfE/ESFA capital grants - represent amounts received from the ESFA including Devolved formula capital (DFC) grant and MAT School Condition Allocation (SCA). DFC funding can be used for improvements and repairs to buildings and other facilities, including ICT or repairs, refurbishment and minor works in accordance with priorities set by the academies. SCA is specifically to ensure that our academy buildings are kept in good condition and that all children can learn in a safe and effective environment.

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	31,217	(30,979)	-	238
GAG Advance	-	-	(238)	-	(238)
Start Up Grant	-	26	(26)	-	-
Pupil Premium	-	2,481	(2,481)	-	-
Other grants	-	4,246	(7,422)	3,176	-
Transfers in - Pension Reserve	-	(1,667)	-	1,667	-
Pension reserve	(5,020)	-	(1,938)	2,102	(4,856)
	<b>(5,020)</b>	<b>36,303</b>	<b>(43,084)</b>	<b>6,945</b>	<b>(4,856)</b>
<b>Restricted fixed asset funds</b>					
Transfers In	-	34,639	-	(34,639)	-
DfE/EFA capital grants	-	2,120	-	(681)	1,439
General fixed assets	65,959	-	(1,039)	34,639	99,559
	<b>65,959</b>	<b>36,759</b>	<b>(1,039)</b>	<b>(681)</b>	<b>100,998</b>
<b>Total restricted funds</b>	<b>60,939</b>	<b>73,062</b>	<b>(44,123)</b>	<b>6,264</b>	<b>96,142</b>
<b>Unrestricted funds</b>					
Unrestricted funds	3,268	2,117	(3)	(2,209)	3,173
Transfers In	-	286	-	(286)	-
<b>Total unrestricted funds</b>	<b>3,268</b>	<b>2,403</b>	<b>(3)</b>	<b>(2,495)</b>	<b>3,173</b>
<b>Total funds</b>	<b>64,207</b>	<b>75,465</b>	<b>(44,126)</b>	<b>3,769</b>	<b>99,315</b>

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**18 Funds**

**Analysis of academies by fund balance**

Fund balances at 31 August 2019 were allocated as follows:

	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Baird Primary Academy	-	205
Blackthorns Primary Academy	-	157
Churchwood Primary Academy	-	42
Desmond Anderson Primary Academy	-	193
Dudley Infant Academy	-	101
Hollington Primary Academy	-	406
Holmbush Primary Academy	-	67
Lindfield Primary Academy	-	134
Pound Hill Infant Academy	-	61
Robsack Wood Primary Academy	-	427
Silverdale Primary Academy	-	197
West St Leonards Primary Academy	-	230
The Burgess Hill Academy	-	(350)
The Hastings Academy	-	104
The St Leonards Academy	-	837
Central services	<b>2,735</b>	<b>362</b>
Total before fixed assets and pension reserve	<b>2,735</b>	<b>3,173</b>
Restricted fixed asset fund	<b>101,014</b>	<b>100,998</b>
Pension reserve	<b>(11,718)</b>	<b>(4,856)</b>
<b>Total</b>	<b>92,031</b>	<b>99,315</b>

From the 1st September 2018 the Trust has operated a policy of GAG pooling. As a consequence, there are no separately identifiable reserves at the academy level.

Central Services costs represent 13.2% of Trust total income, or 9.1% excluding depreciation and FRS102 adjustments.

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educ Support Staff Costs £000	Other Support Staff Costs £000	Educ Supplies £000	Other Costs (excluding Depn) £000	Total 2019 £000	Total 2018 £000
Baird Primary Academy	1,444	216	112	330	2,102	2,004
Blackthorns Primary Academy	759	176	25	187	1,146	1,015
Churchwood Primary Academy	811	262	47	227	1,346	1,223
Desmond Anderson Primary Academy	1,445	395	65	204	2,109	1,859
Dudley Infant Academy	549	107	38	177	871	767
Hollington Primary Academy	1,371	286	78	266	2,002	2,045
Holmbush Primary Academy	627	139	43	149	957	1,001
Lindfield Primary Academy	1,567	220	77	419	2,282	1,998
Pound Hill Infant Academy	778	188	46	315	1,326	1,660
Robsack Wood Primary Academy	1,583	637	145	391	2,756	2,436
Silverdale Primary Academy	1,926	285	98	382	2,691	2,599
West St Leonards Primary Academy	1,395	230	86	345	2,055	1,934
The Burgess Hill Academy	2,999	784	140	754	4,677	6,125
The Hastings Academy	3,270	802	198	948	5,217	4,895
The St Leonards Academy	5,353	987	462	1,376	8,178	8,073
Central services	131	3,133	64	1,177	4,506	3,453
	<b>26,008</b>	<b>8,844</b>	<b>1,724</b>	<b>7,647</b>	<b>44,221</b>	<b>43,087</b>

#### 19 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	98,878	98,878
Current assets	2,735	4,894	2,136	9,765
Liabilities	-	(4,894)	-	(4,894)
Pension scheme liability	-	(11,718)	-	(11,718)
<b>Total net assets</b>	<b>2,735</b>	<b>(11,718)</b>	<b>101,014</b>	<b>92,031</b>



University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	99,559	99,559
Current assets	3,173	3,723	1,439	8,335
Liabilities	-	(3,723)	-	(3,723)
Pension scheme liability	-	(4,856)	-	(4,856)
<b>Total net assets</b>	<b>3,173</b>	<b>(4,856)</b>	<b>100,998</b>	<b>99,315</b>

## 20 Commitments under operating leases

### Operating Leases

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

	2019 £000	2018 £000
Amounts due within one year	85	240
Amounts due between one and five years	121	348
Amounts due after five years	48	73
	<b>254</b>	<b>661</b>

## 21 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2019 £000	2018 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(2,170)	31,339
Adjusted for:		
Depreciation charges (note 12)	718	1,039
Fixed Asset additions (note 13)	(44)	-
Capital grants from DfE and other capital income	(1,325)	(2,120)
Interest receivable (note 5)	(30)	(4)
Net non current assets transferred from another academy trust	-	(32,967)
Defined benefit pension scheme cost less contributions payable (note 25)	1,601	1,749
Defined benefit pension scheme finance cost (note 25)	155	189
(Increase)/decrease in stocks	3	(3)
(Increase)/decrease in debtors	529	(673)
Increase/(decrease) in creditors	1,172	626
<b>Net cash provided by / (used in) Operating Activities</b>	<b>608</b>	<b>(825)</b>

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

<b>22 Cash Flows from Financing Activities</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	238
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>238</b>
<b>23 Cash Flows from Investing Activities</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	30	4
Capital grants from DfE/EFA	1,325	2,120
<b>Net cash provided by / (used in) investing activities</b>	<b>1,355</b>	<b>2,124</b>
<b>24 Analysis cash and cash equivalents</b>	<b>At 31</b>	<b>At 31</b>
	<b>Aug</b>	<b>Aug</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	3,978	6,543
Notice deposits (less than 3 months)	4,527	-
<b>Total cash and cash equivalents</b>	<b>8,505</b>	<b>6,543</b>

**25 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.

**26 Pension and Similar Obligations**

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

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

Contributions amounting to £298k (2018: £500k) were payable to the schemes at 31 August 2019 and are included within creditors.

# University of Brighton Academies Trust

## Notes to the accounts for the year ended 31 August 2019 (continued)

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#)

#### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2019 was £2,474k (2018: £2,300k), of which employer's contributions totalled £1,935k (2018: £1,802k) and employees' contributions totalled £539k (2018: £498k). The agreed contribution rates for future years are between 20.1% and 24.7% 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.

<b>Total contributions made</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	1,935	1,802
Employees' contributions	539	498
<b>Total contributions</b>	<b>2,474</b>	<b>2,300</b>

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
Rate of increase in salaries	2.7% - 3.0%	2.7% - 3.1%
Rate of increase for pensions in payment/inflation	2.3%	2.3% - 2.4%
Discount rate for scheme liabilities	1.8 - 1.9%	2.8%
Inflation assumption (CPI)	2.3%	2.3% - 2.4%
Commutation of pensions to lump sums	50.0%	50.0%

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
<i>Retiring today</i>		
Males	21.2 - 21.8	22.1 - 23.6
Females	23.5 - 23.6	24.4 - 25.0
<i>Retiring in 20 years</i>		
Males	22.1 - 23.0	23.8 - 26.0
Females	24.9 - 25.5	26.3 - 27.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate -0.5%	5,432	3,776
Salary rate + 0.5%	683	578
CPI rate +0.5%	4,649	3,156

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

The academy trusts's share of the assets in the scheme were:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	16,119	15,120
Debt instruments	6,434	3,927
Property	2,260	2,096
Other Assets	875	654
<b>Total market value of assets</b>	<b>25,688</b>	<b>21,797</b>
Actual return on scheme assets	1,232	1,439

**Amounts recognised in the statement of financial activities**

	2019 £000	2018 £000
Current service cost (net of employee contributions)	3,297	3,551
Past service cost	231	(2,851)
Interest income	(642)	(483)
Interest cost	797	672
Benefit changes, curtailments and settlements gains or losses	-	2,851
<b>Total operating charge</b>	<b>3,683</b>	<b>3,740</b>

**Changes in the present value of defined benefit obligations were as follows:**

	2019 £'000	2018 £'000
<b>At 1 September</b>	<b>26,653</b>	<b>24,948</b>
Transfer in	-	-
Current service cost	3,297	3,551
Interest cost	797	672
Employee contributions	539	498
Actuarial (gain)/loss	6,084	(2,851)
Benefits paid	(195)	(165)
Past service cost	231	-
<b>At 31 August</b>	<b>37,406</b>	<b>26,653</b>

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

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

	2019 £'000	2018 £'000
<b>At 1 September</b>	<b>21,797</b>	18,261
Upon conversion	-	-
Interest income	642	483
Actuarial gain/(loss)	970	918
Employer contributions	1,935	1,802
Employee contributions	539	498
Benefits paid	(195)	(165)
<b>At 31 August</b>	<b>25,688</b>	21,797

**27 Related Party Transactions**

Owing to the nature of the academy trust 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The University of Brighton is the sponsor of the Trust and provides managerial and administrative support to enable the Trust to achieve its objectives. Several members of the Trust's Senior Management Team (Chief Executive, Director of Policy and Governance, Director of Operational Services and Director of School Improvement) and one member of administrative staff supporting the Trust's work have or had contracts of employment with the University of Brighton, and their salary costs re-charged to the Trust were £166k (2018: £351k).

**Analysis by category**

	Income £000	Expenditure £000	Net £000
<b>Staff Costs</b>			
Staff salaries		166	166
<b>Others</b>			
Sch Direct /Scholarship Fees			
/Mentorship	-72	8	-64
Internal Audit Services		27	27
Office Costs		5	5
Pupil Travel	-1		-1
	-73	40	-33
<b>Total</b>	<b>-73</b>	<b>206</b>	<b>133</b>

Each of these are provided 'at cost' and offer considerable value for money for the Trust.

University of Brighton Academies Trust  
Notes to the accounts for the year ended 31 August 2019 (continued)

**28 Teaching Schools Trading Account**

	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Income</b>				
Grants	157		681	
Other income	29		44	
		186		725
<b>Expenditure</b>				
<b>Direct costs</b>				
Direct Staff Costs	119		133	
Educational Supplies and Services	28		285	
Staff development	35		192	
Other direct costs	1		-	
Total direct costs	(183)		(610)	
<b>Indirect costs</b>				
Support staff costs	25		58	
Technology costs	1		-	
Maintenance of premises and equipment	-		-	
Security and transport	1		-	
Other support costs	4		3	
Total indirect costs	(31)		(61)	
<b>Total expenditure</b>		(214)		(671)
<b>Surplus/(Deficit) from all sources</b>		(28)		54
Teaching school balances at 1 September 2018		54		-
<b>Teaching school balances at 31 August 2019</b>		26		54