

University of Brighton Academies Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number: 7185046 (England and Wales)



University of Brighton Academies Trust

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Reference and Administrative Details

Members:

University of Brighton
Professor Christopher Pole
Jill Elizabeth Gray
Gavin Wright

Trustees:

Arthur Cople
Kenneth Ebenezer (resigned 15/1/18)
Jill Elizabeth Gray
Lorraine Harrison (appointed 1/9/17)
Christopher Kirkness (appointed 1/9/17)
Steven Manwaring (resigned 31/1/18)
Professor Christopher Pole (Chair)
Dr John Smith (Chief Executive and
Accounting Officer)
Janey Walker (appointed 1/9/17)
Mark Whitby
Andrew Wilson (appointed 30/1/18)

Company Secretary:

Samantha Coates

Executive Management Team:

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
Samantha Coates
Helen Howard
Tom Scully (from 4/6/18)

Company Name:

University of Brighton Academies Trust

Principal and Registered Office:

Multi-Academy Trust Office
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Company Registration Number:

07185046

Independent Auditor:

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Bankers:

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University of Brighton Academies Trust

Solicitors:

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University of Brighton Academies Trust

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 2018. 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.

During 2016/17, the Trust comprised nine academies all in Hastings and St Leonards and was previously known as the Hastings Academies Trust. On 1 September 2017, the Trust acquired its 'sister' multi academy trust (which was then known as the University of Brighton Academies Trust and was also sponsored by the University of Brighton), which was comprised of six academies in West Sussex. On the same date it changed its name from Hastings Academies Trust to the University of Brighton Academies Trust. Throughout this report, in order to ensure a proper understanding of the accounts and trends, Trustees have included comparator information with both the former Hastings Academies Trust and former Hastings Academies Trust & University of Brighton Academies Trust combined¹.

The Trust now operates fifteen academies in Sussex as follows:

Name	Phase	Academy Route (Date joined)	Characteristic	NOR	Special Facility	Nursery
Hastings						
The Hastings Academy*	Secondary	Sponsored (September 2011)	Mainstream with special facility	876	9	
The Baird Primary Academy*	Primary	Sponsored (January 2014)	Mainstream with nursery	423		13
Dudley Infant Academy*	Infant	Converter (November 2013)	Mainstream	173		
St Leonards						
The St Leonards Academy*	Secondary	Sponsored (September 2011)	Mainstream with special facility	1422	19	
Churchwood Primary Academy*	Primary	Converter (September 2014)	Mainstream with nursery (and proposed special facility)	206		41
Hollington Primary Academy*	Primary	Converter (September 2014)	Mainstream with nursery	384		45
Robsack Wood Primary Academy*	Primary	Converter (September 2014)	Mainstream with nursery	414		79

¹ The academies comprising the former Hastings Academies Trust – ie the nine academies in Hastings and St Leonards – are indicated by a * in the table. The academies comprising the former University of Brighton Academies Trust – ie the six academies in West Sussex – are indicated by a ^ in the table.

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Silverdale Primary Academy*	Primary	Converter (February 2015)	Mainstream	623		
West St Leonards Primary Academy*	Primary	Sponsored (November 2013)	Mainstream with special facility	411 (inc 11 SEN facility)		
Brighton & Hove						
Holmbush Primary Academy^	Primary	Converter (April 2015)	Mainstream with nursery	195		15
Mid Sussex						
Blackthorns Community Primary Academy^	Primary	Converter (April 2015)	Mainstream with special facility	243 (inc 7 SEN facility)		
Lindfield Primary Academy^	Primary	Converter (September 2015)	Mainstream	594		
The Burgess Hill Academy^	Secondary	Sponsored (September 2016)	Mainstream	809		
Crawley						
Desmond Anderson Primary Academy^	Primary	Converter (February 2017)	Mainstream with special facility and nursery	398 (inc 20 SEN facility)		22
Pound Hill Infant Academy^	Infant	Converter (September 2015)	Mainstream	270		
Total				7441	28	215
Grand total				7684		

Further significant expansion of the Trust is not anticipated.

Overview of our 2017/18 accounts

The Annual Report and Accounts that follow cover the University of Brighton Academy Trust's 15 academies and its central function. Until 1st September 2017, those academies formed two separate Trusts, with two governance structures, and which had 2 sets of accounts in 2016/17. The comparative figures presented throughout this document are for one of those Trusts (which was previously called the Hastings Academies Trust, but was renamed the University of Brighton Academies Trust on the date of the merger). The comparative figures therefore relate to 9 academies, and a smaller central function.

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 like for like 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, depreciation of fixed assets and an adjustment to the LGPS pension liability). In 2017/18, it also adds back accounting adjustments to recognise school fund accounts, and to release unspent capital income (neither of which had been done in the previous year). In 2016/17, it comprises on a pro forma basis both the Hastings Academies Trust and the University of Brighton Academies Trust. It is, therefore, a comparison of the financial performance of the same 15 academies and their overarching structure, prepared on the same

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basis, and without the impact of non-cash accounting adjustments which mask underlying performance.

£'000s	2017/18		2016/17			Variance	
	Per UoBAT Accounts	Like for Like	Per UoBAT Accounts	Per HAT Accounts	Like for Like	£'000	%
	15 academies	15 academies, adjusted as described above	9 academies	6 academies	15 academies, adjusted as described above		
Income							
Grant income	39,125	37,686	26,163	11,229	37,392	294	0.8
Transfer income	33,248	-	-	20,961	-	-	0.0
Other income	2,878	2,529	1,448	1,042	2,490	39	1.6
Donations	214	214	486	82	568	(354)	-62.3
	75,465	40,429	28,097	33,314	40,450	(21)	-0.1
Expenditure							
Pay	33,724	31,790	23,430	10,104	31,465	325	1.0
Premises	4,143	3,104	3,529	1,295	3,831	(727)	-19.0
Other	6,259	5,922	3,773	1,713	5,486	436	7.9
	44,126	40,816	30,732	13,112	40,782	34	0.1
Net Surplus/(Deficit)	31,339	(387)	(2,635)	20,202	(332)	(55)	-16.6

Key metrics							%
Number on Roll	7,684	7,684	4,976	2,491	7,467	217	2.9
Income/pupil	9.82	5.26	5.65	4.96	5.42	(0.16)	-2.9
Pay cost/pupil	4.39	4.14	4.71	4.06	4.21	(0.08)	-1.8
Non-pay cost/pupil	1.35	1.17	1.47	1.21	1.25	(0.07)	-5.9

On this like for like basis, total grant income has increased by £294k (0.8%), from £37.4m to £37.7m. This reflects an increase in pupil numbers of 2.9%, and changes to the overall funding formula for academies, as well as changes to the level of capital grant income utilised. Non grant income has declined by £315k (10%), to £2.7m, mainly as a result of a reduction in income from our principal sponsor (down £307k). In total, overall income is broadly flat, but on a per pupil basis income has declined from £5,417 per pupil to £5,261 per pupil, a fall of 2.9%.

The Trust has therefore had to do more with less, and it has broadly achieved that (with only a moderate increase in its underlying deficit of £55k, to £387k). This has been achieved through restraint in our overall pay costs (for example by not replacing several senior leaders) which makes up 78% of our total expenditure (and is up from 77% in the prior year on a like for like basis). We have also successfully managed down some of our largest non pay costs, despite general inflationary pressure, such as in catering and maintenance. Pay costs per pupil are therefore down from £4,214 to £4,137 (down 1.8%), and per pupil non pay costs from £1,245 to £1,175 (down 5.6%).

The Trustees are most concerned that declining per pupil income does not negatively impact either a) teaching and learning outcomes or b) the long term sustainability of the Trust. They are pleased to note that the Trust has improved progress and attainment measures in most of its academies (see Strategic Report section) and that the total level of available reserves (i.e. excluding pension and fixed asset reserves) is £3.1m, representing 28.4 days of expenditure (greater than our target of 23 days).

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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 also a Trustee.

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 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

A revised governance structure was implemented in 2017/18, following a comprehensive review of arrangements the previous year. The aims of the review were to maximise efficiencies and minimise duplication; provide absolute clarity regarding accountability; ensure complete transparency in roles and responsibilities; promote the principle of shared responsibility for the outcomes of all children and young people; ensure that colleagues contributing to the governance of the trust are highly skilled and experienced; consider the ways in which the governance structure can more strongly link to the academies' local communities; and improve communications across the trust.

The Board of Trustees, which meets at least four times a year, 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 & strategic plan, community engagement and pupil wellbeing) 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

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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 Director of Planning, Policy and Governance, the Director of Operational Services, the Director of School Improvement and the Finance Director. The Executive Leadership Team oversees all education provision in the Trust, as well as a professional services team (Estates and Facilities Management, Finance, Human Resources, ICT, Marketing, and Policy and Governance).

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 small 'Strategic Improvement Group' supports the Executive Director of School Improvement in over-seeing 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 Senior Staff Pay and Appraisal 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 and vice 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 first relevant period that these regulations apply to is 1 April 2017 to 31 March 2018.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.78

Percentage of time spent on facility time

Percentage of time	Number of employees who were relevant union officials
0%	1
1%-50%	2
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£226.10
Provide the total pay bill	£24,985,433.00
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%

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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 members of the Trust's Executive Team and one administrator are 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 office accommodation to some Trust employees
- 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".

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 workforce has been developed, drawing on internal expertise and complemented by external experts and support from national teaching schools. The strategy also aims to maximise links with the University's School of Education, in support of the training and professional development of staff.

During 2017/18, a new Strategic Business Plan for the period 2018-2023 was developed and approved. The Trust has many strengths and outstanding achievements: the Strategic Business Plan is intended to inform and shape its work as it enters the important next stage of its development, and help achieve excellence for its pupils, staff and community.

The Plan is comprised of six priority areas, with a series of objectives to be achieved during the next five years.

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Priority	Overarching objective
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.
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.

A new Medium Term Financial Plan was developed in 2017/18 alongside the Strategic Business Plan (covering the same period) 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.

A new staff Recruitment and Retention Strategy 2018-2023 was also developed during 2017/18 and is now being implemented. 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."

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Strategic Report

Achievements and performance

Secondary academies

In 2017/18 the provisional overall Attainment 8 score for the Trust is 41.78 points, compared to a national average of 44.3 points. 65% of students gained a grade 4 or above in English (75% nationally) and 63% gained a grade 4 or above in maths (69% nationally). The provisional overall Progress 8 score for the Trust is -0.24.

The provisional scores for the individual academies are:

Academy	Attainment 8	% English 4+	% Maths 4+	Progress 8
The Burgess Hill Academy	49.4 points	82	83	+0.20
The Hastings Academy	39 points	61	55	-0.33
The St Leonards Academy	38.2 points	59	56	-0.45

Progress and attainment data indicate strong improvements at The Burgess Hill Academy. At The Hastings Academy, attainment has built on previous years' outcomes and represents its best ever results. At The St Leonards Academy, there were strong outcomes in drama, performing arts, music, sport and business. All secondary academies were above the government's floor measure.

A key priority for improvement in the Trust's secondary academies during 2018/19 is to improve progress, especially in Basics and the progress of disadvantaged students.

Primary academies

Key Stage 2

Across the Trust, 68% of key stage 2 pupils reached the expected standard in reading, writing and mathematics combined in 2017/18, compared to 64% of pupils nationally (the government's floor standard measure is 65%). There is also a progress measure for each academy, which is based on national progress rates from key stage 1 outcomes (the government's floor standard measure is -5 in reading, -7 in writing and -5 in mathematics)

The percentage 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	-0.8	-0.9	-2.3
Blackthorns	77	+2.8	-0.2	+1.6
Churchwood	39	-3.2	-1.4	-1.8
Desmond Anderson	39	-2.1	-6.2	-4.3
Hollington	65	+0.5	-0.8	-1.3
Holmbush	65	+1.2	-5.1	-0.5
Lindfield	85	+2.4	+1.5	+4.2
Robsack Wood	68	-1.1	-0.4	+0.1

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Silverdale	43	-2.8	-1.1	-1.7
West St Leonards	52	-2.0	-0.2	-2.8

All academies were above the government's floor measure, and there is a continuing rising trend of attainment and progress in general. The percentage of pupils reaching the expected standard in reading, writing and maths increased or was maintained above the national average in 7 of the Trust's 10 primary academies. Progress scores improved in most academies. An increasing number of academies were close to, at or above national averages in individual subjects.

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

Key Stage 1

In the phonics screening check, 85% of pupils in the Trust achieved the expected standard, compared to 82% nationally. The percentage reaching the expected standard in phonics in each academy in the Trust is set out below.

Academy	% KS1 pupils reaching the expected standard in the phonics check
Baird	78
Blackthorns	93
Churchwood	73
Desmond Anderson	92
Dudley	92
Hollington	88
Holmbush	81
Lindfield	97
Pound Hill	82
Robsack Wood	85
Silverdale	77
West St Leonards	82

All but one primary/infant academy improved the proportion of pupils who reached the expected standard in phonics at the end of Year 1.

Across the Trust, 68% of key stage 1 pupils reached the expected standard in reading, writing and mathematics combined in 2017/18, compared to 65% of pupils nationally. The percentage reaching the expected standard in each academy in the Trust is set out below.

Academy	% KS1 pupils reaching the expected standard in reading, writing and maths
Baird	57
Blackthorns	77
Churchwood	53
Desmond Anderson	55
Dudley	72
Hollington	75
Holmbush	60
Lindfield	77
Pound Hill	64
Robsack Wood	67
Silverdale	73
West St Leonards	72

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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 (71.5%) in almost all academies.

Academy	% pupils achieving a good level of development in the early years foundation stage
Baird	74
Blackthorns	81
Churchwood	65
Desmond Anderson	73
Dudley	80
Hollington	71
Holmbush	73
Lindfield	80
Pound Hill	67
Robsack Wood	77
Silverdale	72
West St Leonards	71

Education developments

There was significant engagement with Ofsted during 2017/18: there were Ofsted inspections of five academies, all of which achieved an Outstanding or Good judgement. Specifically, Robsack Wood Primary Academy's Nursery was judged as 'outstanding'; Holmbush Primary Academy was judged 'good' in all areas; The Hastings Academy was judged 'good' overall, with 'outstanding' leadership and management; Silverdale Primary Academy was judged 'good' in all areas; and Blackthorns Community Primary Academy was judged 'good', with potential for outstanding status. In each of these inspections, the contribution of the Trust and its sponsor, the University of Brighton, was commended and recognised as adding significant capacity to improve.

During the year, four senior teachers gained accreditation as Specialist Leaders of Education from the East Sussex Teaching School Alliance Network. The Trust contributed to the Department for Education's Hastings Opportunity Area delivery plan, and secured £300,000 of funding for a project to improve language and literacy outcomes for disadvantaged children in the Early Years Foundation Stage in Hastings 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. Blackthorns Community Primary Academy was ranked in the top ten schools in West Sussex, whilst its excellent 2017 results was recognised with a national Schools, Students and Teachers network award, placing it in the top 20% of schools nationally

Pupil/student recruitment

In relation to the recruitment of Year 7 and Reception Year students/pupils to the Trust's academies (for September 2018 entry), the number of applications received from parents increased on 2017 numbers, as have first choice preferences. Almost all 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

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procedures are in place to provide employees with opportunities and support for personal development.

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 2017/18 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 80% (78% in 2016/17) 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

On 1st September 2017, the Trust transferred in the assets and liabilities of 6 academies which previously formed the Hastings Academies Trust. The financial impact of that was to increase net assets by £33.1m. In line with SORP 2015 and the Academies Accounts Direction 2017/18, this is presented as income.

During the year grant income of £39.9 million (2016/17: £26.2 million) was received for the achievement of the academies' educational aims and objectives. This was comprised:

- General Annual Grant funding of £31.2m (2016/17: £21.6m), including:

University of Brighton Academies Trust

- £2.48 million (2016/17: £2.52m) of Pupil Premium funding for the provision of additional support for disadvantaged students
- £68.2k (2016/17: £54.8k) 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)
- £229k (2016/17: 66.6k) 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
- £215k (2016/17: 60.4k) of devolved formula capital funding for capital maintenance requirements
- £1,912k (2016/17: £552k) of capital funding (School Condition Allocation funding and Condition Improvement Funding) to address priority capital maintenance needs.

Additional funds of £260k (2016/17: £115k) have been generated from the letting of academy facilities for educational and community use.

During the year, £44.1m (2016/17: £30.7m) was expended, resulting in an in year deficit of £1.9m (2016/17: £2.64m), excluding the impact of academies transferring into the Trust.

The reserves position as at 31 August 2018 was £99.3m (31 August 2017: £64.2m).

Local Government Pension Scheme (LGPS) Adjustments (due to FRS102) amounted to a net gain of £3.9m, taking our Statutory Provision to £4.9m. Pension contributions for 2017/18 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 80% 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 23 days of annual gross expenditure (excluding non-cash adjustments). The total value of available reserves for this purpose is £3.1m, which equates to 28.4 days as at 31 August 2018 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. Annual devolved capital funding is now very small at £11.25 per pupil for primary academies and £16.88 for secondary academies.

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 held no investments during the year. An investment policy has been developed and approved.

University of Brighton Academies Trust

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 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.

A formal internal audit function, in partnership with the University of Brighton, was developed and implemented during 2017/18. An internal audit programme for the remainder of the year was agreed which focused on (i) procurement, (ii) staff expenses and (iii) payroll. The recommendations arising from these audits are now being implemented.

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. A new Medium Term Financial Plan for the period 2018-2023 was developed and is informing budgetary decision making.

A key risk relates to the reduction in government funding in current and future years, for example, in relation to the Education Services Grant and pressures on funding for Nursery provision. The Trust's cost base is being kept under review to ensure it can deal with variations, and strategies for increasing non-government funding are being pursued, for example, re nursery provision, lettings etc, as well as improved procurement arrangements. Pay related increases outside of the Trust's control, such as those related to pension and National Insurance contributions continue to pose a risk to the Trust and careful management of budgets is required to ensure that funding focuses on supporting the Trust's key priorities.

Failure to secure or retain effective leadership and management, as well as potential threats to the quality of teaching remain key risks. The Trust has developed and implemented a leadership strategy which includes succession planning, as well as a peer review framework, alongside Professional Partner input and a framework for continuing professional development to aid retention and mitigate these risks.

The Trust benefits from School Condition Allocation and Condition Improvement Funding which are used to address the highest priority condition issues but they are not sufficient to meet the needs of large capital replacement projects. Alternative sources of funding are therefore sought where possible. The Trust has a framework of Planned Preventative Maintenance to ensure effective maintenance of the estate.

The Trust's safeguarding policy and related checks and procedures mitigate any potential risk of a serious safeguarding incident.

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.

University of Brighton Academies Trust

Plans for Future Periods

The aforementioned new Strategic Business Plan 2018-23 sets out the Trust's key objectives and priorities for the next five years, supported by the Trust's new Medium Term Financial Plan and Recruitment and Retention Strategy.

The Trust has set ambitious targets for the academic attainment and progress of pupils/students attending the academies. These targets are measured against key indicators. In addition, improvement plans have been put in place to drive school improvement across the Trust. Intensive improvement plans have been developed in support of the Trust's most vulnerable academies. The Trust's Strategic Improvement Group, led by the Executive Director of School Improvement, co-ordinates all school improvement activities across the Trust, with a key priority to increase internal capacity and expertise, in support of school to school improvement.

A key priority for improvement in the Trust's secondary academies during 2018/19 is to improve progress, especially in Basics and the progress of disadvantaged students. A key priority for improvement in the Trust's primary academies is to improve progress between Key Stage 1 and Key Stage 2 in all subjects, especially reading and mathematics. Strategies to improve attendance of pupils/students in all phases is also a priority. Central to achieving these priorities is to continue to improve the quality of teaching and learning for all students/pupils through the recruitment and retention of high calibre leaders and teachers.

A key priority for 2018/19 is a major change management project – the Shared Services Transformation Programme, which aims to enable measurable performance improvements under the following headings:

- a. Efficiency (cost, time)
- b. Effectiveness (quality)
- c. Accountability
- d. Freeing up Principals' to focus on educational outcomes
- e. Trust Development (innovation, reputation and income generation)

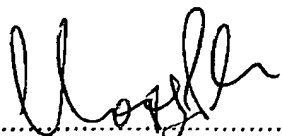
Auditor

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 ...13/02/18..... and signed on the Board's behalf by:


.....
Professor C Pole
Trustee

University of Brighton Academies Trust

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 2017/18 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
Kenneth Ebenezer (resigned 15/1/18)	2	2
Jill Elizabeth Gray	4	4
Lorraine Harrison (appointed 1/9/17)	2	4
Christopher Kirkness (appointed 1/9/17)	3	4
Steven Manwaring (resigned 31/1/18)	0	2
Professor Christopher Pole (Chair)	4	4
Dr John Smith (Chief Executive and Accounting Officer)	4	4
Janey Walker (appointed 1/9/17)	2	4
Mark Whitby	3	4
Andrew Wilson (appointed 30/1/18)	2	2

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.

During 2016/17, the constitution of the Board of Trustees was reviewed as part of the overarching major review of the Trust's governance structure and was implemented from 1/9/17. The revised constitution is smaller to enable the Board to be more cohesive and dynamic. Specifically, the new constitution of the Board is comprised of up to nine trustees appointed by the sponsor (University of Brighton) and the trust's Chief Executive.

An annual skills and competency audit of trustees against the DfE's Competency Framework for Governance was completed in July 2018. An annual Trust Self Evaluation was completed in autumn 2017, using the South East and South London Regional Schools Commissioner's suggested template.

University of Brighton Academies Trust

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]	3	3
Dr John Smith (Trustee member)	2	3
Mark Whitby (Trustee member)	3	3
Rose Durban (Co-opted member)	2	3
Ian Hughes (Co-opted member)	2	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. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

Committee member	Meetings attended	Out of a possible
Arthur Copple (Trustee member) [Chair]	4	4
Jill Elizabeth Gray (Trustee member)	4	4
Dr John Smith (Trustee member)	4	4
Alan Matthews (Co-opted member)	4	4
Mike Nichols (Co-opted member)	3	3

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:

Committee member	Meetings attended	Out of a possible
Christopher Kirkness (Trustee member) [Chair]	2	2
Lorraine Harrison (Trustee member)	2	2
Mike Bewlock (Co-opted member)	2	3
Paul Anthony (Co-opted member)	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:

Committee member	Meetings attended	Out of a possible
Jill Elizabeth Gray (Trustee member) [Chair]	3	3
Ken Ebenezer (Trustee member)	1	1
Christopher Kirkness (Trustee member)	3	3
Andrew Willson (Trustee member)	2	2
Peter Talarico (Co-opted member)	2	3
Clir Alan Roberts (Co-opted member)	0	3

University of Brighton Academies Trust

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 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:

- Implementing a new single Trust following the merger of the University of Brighton Academies Trust and the Hastings Academies Trust with effect from 1/9/17 which has resulted in: (i) a more efficient governance model (which avoids duplicate Boards of Directors and Sub-Committees); (ii) reduced statutory reporting requirements (including annual accounts, ESFA returns and Companies House returns); (iii) the establishment of a single central management budget and a single bank account reducing the need for inter-trust financial processing and preparation of separate budgets; and providing more opportunity for financial investments; (iv) increased purchasing power, and a reduction in the number of individual contracts, through improved procurement of services and supplies across the Trust, thereby increasing value for money; (v) the opportunity to develop a more coherent marketing and communications strategy (internal and external); (vi) the opportunity to free capacity of existing members of staff to focus on their core responsibilities and take forward other areas of work essential to future developments; and (vi) maximisation of school improvement capacity across the trusts.
- Undertaking a major change management project to implement a series of recommendations from a review of the Trust's Financial Management Arrangements and Procedures, which has resulted in a new financial management operating model in order to improve the quality of budget monitoring and the introduction of a new approach to budget setting.
- Providing 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 Desmond Anderson Primary Academy. This has provided opportunities for sharing good practice and staff expertise, promoting consistency and establishing robust systems and protocols.
- Continuing to maximise links with the Trust's lead sponsor, the University of Brighton. This has included the provision of specialist financial and legal advice, as well as supporting a range of educational initiatives such as cross-Trust continuing professional development activities.

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 2018 and up to the date of approval of the annual report and financial statements.

University of Brighton Academies Trust

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 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Joanne Barton as internal auditor, in partnership with the University of Brighton. This role includes performing a range of checks on the Trust's systems. The internal audit programme for 2017/18 was agreed by the Risk and Audit Committee and focused on (i) procurement, (ii) staff expenses and (iii) payroll. The programme was delivered as planned, and the recommendations arising from these audits are now being implemented. The outcomes of internal audits are reported to the Board of Trustees through the Risk and Audit Committee.

Review of Effectiveness

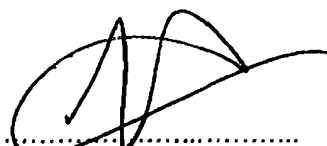
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 13/12/15 and signed on its behalf by:


.....
Professor C Pole
Trustee


.....
Dr J Smith
Accounting Officer

University of Brighton Academies Trust

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 2017.

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 2017.

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



Dr J Smith
Accounting Officer
Date

University of Brighton Academies Trust

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:

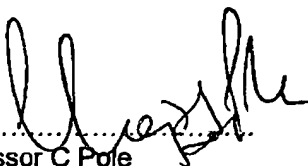
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2017 to 2018;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 ...13/12/18..... and signed on its behalf by:


.....
Professor C Pole
Trustee

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

For the year ended 31 August 2018

Opinion

We have audited the financial statements of University of Brighton Academies Trust for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the '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

19/12/18

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

University of Brighton Academies Trust

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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 30 September 2016 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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

University of Brighton Academies Trust

material irregularity, 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 2017 to 31 August 2018 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
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Kent
BR6 0NZ

Dated: 19/12/18

University of Brighton Academies Trust

Statement of Financial Activities for the year ended 31 August 2018

Including Income and Expenditure Account

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:	Note					
Donations and capital grants	3	166	48	2,120	2,334	1,098
Transfer of existing academies to the Trust	28	276	(1,667)	34,639	33,248	-
Charitable activities:						
Funding for the academy trust's educational operations	4	-	37,005	-	37,005	25,551
Teaching Schools	4,5,29	-	725	-	725	124
Other trading activities	5	1,957	192	-	2,149	1,317
Investments	6	4	-	-	4	7
Total		2,403	36,303	36,759	75,465	28,097
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	3	42,413	1,039	43,455	30,608
Teaching Schools	7,29	-	671	-	671	124
Total		3	43,084	1,039	44,126	30,732
Net income / (expenditure)		2,400	(6,781)	35,720	31,339	(2,635)
Transfers between funds	18	(2,495)	3,176	(681)	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,26	-	3,769	-	3,769	5,803
Net movement in funds		(95)	164	35,039	35,108	3,168
Reconciliation of funds						
Total funds brought forward		3,268	(5,020)	65,959	64,207	61,039
Total funds carried forward		3,173	(4,856)	100,998	99,315	64,207

University of Brighton Academies Trust

Statement of Financial Activities for the year ended 31 August 2018

Including Income and Expenditure Account

Comparative year information - Year Ended 31 August 2017

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000
Income and endowments from:				
Donations and capital grants	486	-	612	1,098
Charitable activities:				
Funding for the academy trust's educational operations	4	25,547	-	25,551
Teaching Schools	-	124	-	124
Other trading activities	442	875	-	1,317
Investments	7	-	-	7
Total	939	26,546	612	28,097
Expenditure on:				
Charitable activities:				
Academy trust educational operations	988	28,627	993	30,608
Teaching Schools	-	124	-	124
Total	988	28,751	993	30,732
Net income / (expenditure)	(49)	(2,205)	(381)	(2,635)
Transfers between funds	(295)	907	(612)	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	5,803	-	5,803
Net movement in funds	(344)	4,505	(993)	3,168
Reconciliation of funds				
Total funds brought forward	3,612	(9,525)	66,952	61,039
Total funds carried forward	3,268	(5,020)	65,959	64,207

University of Brighton Academies Trust

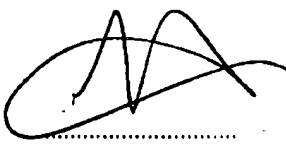
Balance sheet as at 31 August 2018

Company Number 07185046

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	13		99,559		65,959
Current assets					
Stock	14	3		-	
Debtors	15	1,789		1,119	
Cash at bank and in hand		6,543		5,006	
		<u>8,335</u>		<u>6,125</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(3,485)		(2,857)	
Net current assets			<u>4,850</u>		<u>3,268</u>
Total assets less current liabilities			104,409		69,227
Creditors: Amounts falling due after more than one year	17	(238)		-	
Net assets excluding pension liability			<u>104,171</u>		<u>69,227</u>
Defined benefit pension scheme liability	26	(4,856)		(5,020)	
Total net assets			<u>99,315</u>		<u>64,207</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	18	100,998		65,959	
. Pension reserve	18	(4,856)		(5,020)	
Total restricted funds			96,142		60,939
Unrestricted income funds	18		3,173		3,268
Total funds			<u>99,315</u>		<u>64,207</u>

The financial statements set out on pages 31 to 58 were approved by the board of trustees and authorised for issue on ...13/12/18... and are signed on its 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 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(825)	(932)
Cash flows from investing activities	23	2,124	619
Cash flows from financing activities	22	238	-
Change in cash and cash equivalents in the reporting period		1,537	(313)
Cash and cash equivalents at 1 September		5,006	5,319
Cash and cash equivalents at the 31 August	24	6,543	5,006

University of Brighton Academies Trust

Notes to the accounts for the year ended 31 August 2018

1 Accounting policies

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

1.1 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 2017 to 2018 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.

1.2 Going concern

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

1.3 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.

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.

University of Brighton Academies Trust

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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

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.

University of Brighton Academies Trust

1.5 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.

1.6 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.

1.7 Leasing commitments

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

1.8 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.

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.

University of Brighton Academies Trust

1.9 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.

1.10 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.

1.11 Fund accounting

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

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

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

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.

University of Brighton Academies Trust

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 2018 (continued)

3 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£000	£000	£000	£000
Capital Grants	-	2,120	2,120	612
Donations	166	48	214	486
	<u>166</u>	<u>2,168</u>	<u>2,334</u>	<u>1,098</u>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£000	£000	£000	£000
DfE / EFA grants				
. General Annual Grant (GAG)	-	31,217	31,217	21,594
. Start Up Grants	-	26	26	5
. Teaching School grants	-	681	681	-
. Other DfE/EFA grants	-	4,022	4,022	2,775
	-	<u>35,946</u>	<u>35,946</u>	<u>24,374</u>
Other Government grants				
. Local authority grants	-	1,780	1,780	1,173
Other income from the academy trust's educational operations	-	4	4	4
	-	<u>1,799</u>	<u>1,799</u>	<u>1,177</u>
	-	<u>37,730</u>	<u>37,730</u>	<u>25,551</u>

5 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£000	£000	£000	£000
Hire of facilities	260	-	260	115
Nursery	226	-	226	221
Catering income	168	-	168	-
Teaching School	-	44	44	-
School to School Support	-	106	106	856
School Trips	564	-	564	-
Before/After school clubs	269	-	269	-
Insurance	273	-	273	-
Student/teacher placement	72	-	72	-
Other income	125	42	167	125
	<u>1,957</u>	<u>192</u>	<u>2,149</u>	<u>1,317</u>

6 Investment income

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£000	£000	£000	£000
Short term deposits	4	-	4	7
	<u>4</u>	<u>-</u>	<u>4</u>	<u>7</u>

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

7 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2018	2017
	£000	£000	£000	£000	£000
Academy's educational operations:					
. Direct costs	24,950	1,039	2,813	28,802	20,641
. Allocated support costs	8,587	3,104	2,962	14,653	9,967
Teaching Schools					-
. Direct costs	133	-	477	610	108
. Allocated support costs	58	-	3	61	16
	33,728	4,143	6,255	44,126	30,732

Net income/(expenditure) for the period includes:

	2018	2017
	£000	£000
Operating lease rentals	240	136
Depreciation	1,039	993
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	46	27
- other services	11	6
Net interest on defined benefit pension liability	189	212

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

8 Charitable Activities

	Total 2018 £000	Total 2017 £000
Direct costs – educational operations	28,802	20,641
Direct costs – teaching schools	610	108
Support costs – educational operations	14,653	9,967
Support costs – teaching schools	61	16
	44,126	30,732

Analysis of costs	Teaching Schools £000	Educational operations £000	Total 2018 £000	Total 2017 £000
Direct Costs				
Teaching and educational support staff costs	133	24,946	25,079	18,227
Staff development	192	200	392	332
Depreciation	-	1,039	1,039	498
Educational supplies and services	88	1,492	1,580	1,015
Examination fees	-	160	160	123
Educational consultancy	197	260	457	358
Other costs	-	705	705	196
Total direct costs	610	28,802	29,412	20,749

Support costs				
Support staff costs	58	8,587	8,645	4,850
Depreciation	-	-	-	495
Technology costs	-	992	992	554
Recruitment and support	-	151	151	98
Maintenance of premises and equipment	-	1,500	1,500	1,476
Cleaning	-	371	371	296
Energy costs	-	541	541	314
Rent and rates	-	322	322	214
Insurance	-	370	370	231
Security and transport	-	132	132	71
Catering	-	1,132	1,132	734
Finance costs	-	191	191	212
Governance costs	-	137	137	272
Other support costs	3	227	230	166
Total support costs	61	14,653	14,714	9,983

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2018 £000	Total 2017 £000
Wages and salaries	24,128	16,465
Social security costs	2,182	1,514
Pension costs	6,090	3,821
	32,400	21,800
Supply staff costs	951	945
Key management staff	319	265
Staff restructuring costs	54	71
	33,724	23,081
Staff restructuring costs comprise:		
Severance payments	53	71
	53	71

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £52.8k (2017: £71k). Individually, the payments were: £1.5k, £3k, £4k, £4.2k, £9.5k, £10k and £20.6k.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	443	260
Administration and support	1,042	516
Management	20	14
	1,505	790

d Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	13	9
£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
£90,001 - £100,000	1	0
	19	14

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

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 £336k (2017: £265k).

10 Central Services

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

- Human resources
- Financial services
- Estates Management
- Educational Support Services
- Leadership and Governance

The trust charges for these services on the following basis:

- 6.15% of General Annual Grant (GAG) for East Sussex academies
- 5% of ESFA grant income for West Sussex academies

Expenditure

	Total 2018 £000	Total 2017 £000
The amounts charged during the year were as follows:		
Baird Primary Academy	101	97
Blackthorns Primary Academy	50	-
Churchwood Primary Academy	57	56
Desmond Anderson Primary Academy	91	-
Dudley Infant Academy	43	47
Hollington Primary Academy	95	95
Holmbush Primary Academy	45	-
Lindfield Primary Academy	102	-
Pound Hill Infant Academy	56	-
Robsack Wood Primary Academy	94	92
Silverdale Primary Academy	125	135
West St Leonards Primary Academy	95	89
The Burgess Hill Academy	227	-
The Hastings Academy	392	386
The St Leonards Academy	611	585
Central services	-	-
	2,184	1,582

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

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 2018 expenses totalling £303 (2017: £277) were reimbursed to 3 trustees (2017: 1 trustee).

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	Furniture and Equipment	Computer Hardware	Total
	£000	£000	£000	£000
Cost				
At 1 September 2017	67,482	1,420	2,936	71,838
Transfers in	34,629	-	5	34,634
At 31 August 2018	102,111	1,420	2,941	106,472
Depreciation				
At 1 September 2017	1,928	1,199	2,747	5,874
Charged in year	685	218	136	1,039
At 31 August 2018	2,613	1,417	2,883	6,913
Net book values				
At 31 August 2017	65,554	221	189	65,964
At 31 August 2018	99,498	3	58	99,559

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

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

14 Stock

	2018	2017
	£000	£000
Catering	3	-
	<u>3</u>	<u>-</u>

15 Debtors

	2018	2017
	£000	£000
Trade debtors	340	59
VAT recoverable	454	297
Other debtors	855	669
Prepayments and accrued income	140	94
	<u>1,789</u>	<u>1,119</u>

16 Creditors: Amounts Falling due within one year

	2018	2017
	£000	£000
Trade creditors	338	13
Other taxation and social security	540	355
Other creditors	503	353
Accruals and deferred income	2,104	2,136
	<u>3,485</u>	<u>2,857</u>

Deferred income	2018	2017
	£000	£000
Deferred income at 1 September 2017	1,198	976
Released from previous years	(1,198)	(976)
Resources deferred in the year	1,098	1,198
Deferred Income at 31 August 2018	<u>1,098</u>	<u>1,198</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 2018/19 academic year.

17 Creditors: Amounts Falling due in greater than one year

	2018	2017
	£000	£000
Other Creditors	238	-
	<u>238</u>	<u>-</u>

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.

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

18 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
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/income	-	4,246	(7,422)	3,176	-
Transfers In - Pension reserve		(1,667)	-	1,667	-
Pension reserve	(5,020)	-	(1,938)	2,102	(4,856)
	(5,020)	36,303	(43,084)	6,945	(4,856)
Restricted fixed asset funds					
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
	65,959	36,759	(1,039)	(681)	100,998
Total restricted funds	60,939	73,062	(44,123)	6,264	96,142
Unrestricted funds					
Unrestricted funds	3,268	2,117	(3)	(2,209)	3,173
Transfers In		286		(286)	-
Total unrestricted funds	3,268	2,403	(3)	(2,495)	3,173
Total funds	64,207	75,465	(44,126)	3,769	99,315

Funds

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.

GAG advance – loan from the ESFA in relation to Burgess Hill Academy

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

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

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.

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

Restricted Fixed Asset Funds:

DfE/ESFA capital grants - represent amounts received from the ESFA including Devoled 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.

Transferred on conversions - this represents the buildings and equipment donated to the academies from the Local Authority on conversion to an academy.

Transfers

Transfers represent expenditure funded from unrestricted funds and repairs and maintenance funded from capital grants.

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	3	21,594	(22,504)	907	-
Start Up Grant	-	5	(5)	-	-
Pupil Premium	-	2,149	(2,149)	-	-
Other grants/income	-	2,798	(2,798)	-	-
Pension reserve	(9,528)	-	(1,295)	5,803	(5,020)
	(9,525)	26,546	(28,751)	6,710	(5,020)
Restricted fixed asset funds					
DfE/EFA capital grants	-	612	-	(612)	-
General fixed assets	66,952	-	(993)	-	65,959
	66,952	612	(993)	(612)	65,959
Total restricted funds	57,427	27,158	(29,744)	6,098	60,939
Unrestricted funds					
Total unrestricted funds	3,612	939	(988)	(295)	3,268
Total funds	61,039	28,097	(30,732)	5,803	64,207

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

18 Funds

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	3	52,811	(53,721)	907	-
Start Up Grant	-	31	(31)	-	-
Pupil Premium	-	4,630	(4,630)	-	-
Other grants/income	-	7,044	(10,220)	3,176	-
Transfers In - Pension reserve	-	(1,667)	-	1,667	-
Pension reserve	(9,528)	-	(3,233)	7,905	(4,856)
	(9,525)	62,849	(71,835)	13,655	(4,856)
Restricted fixed asset funds					
Transfers In	-	34,639	-	(34,639)	-
DfE/EFA capital grants	-	2,732	(2,732)	1,439	1,439
General fixed assets	66,952	-	(2,032)	34,639	99,559
	66,952	37,371	(4,764)	1,439	100,998
Total restricted funds	57,427	100,220	(76,599)	15,094	96,142
Unrestricted funds					
Unrestricted funds	3,612	3,056	(991)	(2,504)	3,173
Transfers In	-	286	-	(286)	-
Total unrestricted funds	3,612	5,378	(991)	(2,790)	3,173
Total funds	61,039	103,562	(77,590)	12,304	99,315

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total	Total
	2018	2017
	£000	£000
Baird Primary Academy	205	165
Blackthorns Primary Academy	157	-
Churchwood Primary Academy	42	29
Desmond Anderson Primary Academy	193	-
Dudley Infant Academy	101	51
Hollington Primary Academy	406	409
Holmbush Primary Academy	67	-
Lindfield Primary Academy	134	-
Pound Hill Infant Academy	61	-
Robsack Wood Primary Academy	427	472
Silverdale Primary Academy	197	336
West St Leonards Primary Academy	230	258
The Burgess Hill Academy	(350)	-
The Hastings Academy	104	4
The St Leonards Academy	837	1,226
Central services	362	318
Total before fixed assets and pension reserve	3,173	3,268
 Restricted fixed asset fund	 100,998	 65,959
Pension reserve	(4,856)	(5,020)
Total	99,315	64,207

The Burgess Hill Academy is carrying a deficit of £350k on these funds, an increase of £162k on the position as at 31 August 2017 in the previous sister trust.

The academy joined the Trust with a structural deficit due to historically low pupil numbers and high staffing costs. A detailed recovery plan, produced in collaboration with the DfE school efficiency advisor, was submitted to DfE in April 2018 and approved. As part of the plan the DfE also agreed to funding based on current year pupils.

The recovery plan came into effect immediately but does not see the academy eliminate its structural deficit until 2018-19. The main risk to the achievement of the plan is the assumed continued pupil growth.

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (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 2018 £000	Total 2017 £000
Baird Primary Academy	1,367	198	94	347	2,004	1,986
Blackthorns Primary Academy	682	150	21	162	1,015	-
Churchwood Primary Academy	764	207	46	206	1,223	1,257
Desmond Anderson Primary Academy	1,259	323	40	237	1,859	-
Dudley Infant Academy	469	76	37	185	767	830
Hollington Primary Academy	1,428	222	76	319	2,045	1,989
Holmbush Primary Academy	696	100	31	174	1,001	-
Lindfield Primary Academy	1,444	173	57	324	1,998	-
Pound Hill Infant Academy	813	209	26	612	1,660	-
Robsack Wood Primary Academy	1,382	501	140	413	2,436	2,282
Silverdale Primary Academy	1,920	266	88	325	2,599	2,503
West St Leonards Primary Academy	1,325	171	68	370	1,934	1,979
The Burgess Hill Academy	2,788	2,590	130	617	6,125	-
The Hastings Academy	3,207	654	179	855	4,895	5,148
The St Leonards Academy	5,487	787	495	1,304	8,073	7,826
Central services	48	2,020	45	1,340	3,453	3,956
	25,079	8,645	1,573	7,790	43,087	29,736

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £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)
Total net assets	3,173	(4,856)	100,998	99,315

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

20 Commitments under operating leases

Operating Leases

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

	2018 £000	2017 £000
Amounts due within one year	240	64
Amounts due between one and five years	348	42
Amounts due after five years	73	-
	661	106

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

	2018 £000	2017 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	31,339	(2,635)
Adjusted for:		
Depreciation charges (note 12)	1,039	993
Capital grants from DfE and other capital income	(2,120)	(612)
Interest receivable (note 5)	(4)	(7)
Net non current assets transferred from another academy trust	(32,967)	-
Defined benefit pension scheme cost less contributions payable (note 25)	1,749	1,083
Defined benefit pension scheme finance cost (note 25)	189	212
(Increase)/decrease in stocks	(3)	-
(Increase)/decrease in debtors	(673)	(11)
Increase/(decrease) in creditors	626	45
Net cash provided by Operating Activities	(825)	(932)

22 Cash Flows from Financing Activities

	2018 £000	2017 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	238	-
Net cash provided by financing activities	238	-

23 Cash Flows from Investing Activities

	2018 £000	2017 £000
Dividends, interest and rents from investments	4	7
Capital grants from DfE/ESFA	2,120	612
Net cash provided by / (used in) investing activities	2,124	619

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

24 Analysis cash and cash equivalents	At 31	At 31
	Aug	Aug
	2018	2017
	£000	£000
Cash in hand and at bank	6,543	5,006
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	6,543	5,006

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 £500k (2017: £402k) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2017, which will be payable during the implementation period until the next valuation as at March 2018, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer pension costs paid to TPS in the period amounted to £2,340k (2017: £1,616k).

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

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

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

26 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2018 £000	2017 £000
Employer's contributions	1802	1,199
Employees' contributions	498	367
Total contributions	2,300	1,566

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.3% - 3.1%	2.8%
Rate of increase for pensions in payment/inflation	2.3% - 2.4%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.3% - 2.4%	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:

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.3	22.1
Females	24.2	24.4
<i>Retiring in 20 years</i>		
Males	22.6	23.8
Females	25.3	26.3

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

26 Pension and Similar Obligations (continued)

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£000	£000
Equity instruments	15,120	10,794
Debt instruments	3,927	2,099
Property	2,096	1,499
Other Assets	654	599
Total market value of assets	21,797	14,991
Actual return on scheme assets	1,156	1,159

Amounts recognised in the statement of financial activities

	2018	2017
	£000	£000
Current service cost (net of employee contributions)	3,551	2,282
Past service cost	(2,851)	(4,986)
Interest income	(483)	(276)
Interest cost	672	488
Benefit changes, curtailments and settlements gains or losses	2,851	4,986
Total operating charge	3,740	2,494

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

	2018	2017
	£'000	£'000
At 1 September	20,011	21,977
Transfer in	4,937	-
Current service cost	3,551	2,282
Interest cost	672	488
Employee contributions	498	367
Actuarial (gain)/loss	(2,851)	-
Benefits paid	(165)	(117)
Past service cost	-	(4,986)
At 31 August	26,653	20,011

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

	2018	2017
	£'000	£'000
At 1 September	18,261	12,449
Interest income	483	276
Actuarial gain/(loss)	918	817
Employer contributions	1,802	1,199
Employee contributions	498	367
Benefits paid	(165)	(117)
At 31 August	21,797	14,991

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

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 Planning, Policy and Governance, Director of Operational Services and Director of School Improvement) and one member of administrative staff supporting the Trust's work have contracts of employment with the University of Brighton. Their salary costs are re-charged to the Trust £351k (16-17 £264k).

Other payments were made to the University by the Trust for the following:

	£'000
Sch Direct/scholarship fees	34
Marketing	5
Audit services	7
Office costs (incl hospitality)	8
Staff travel	6
	<u>60</u>

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

As at the end of the year, £30k was due from the Trust to the University, and £3k from the University to the Trust.

28 Academies transferred from another academy trust

	Transfer in recognised £'000
Tangible Fixed Assets	
Leasehold land and buildings	34,634
Computer equipment	5
Current Assets	
Stock	3
Debtors due in less than one year	489
Cash at bank and in hand	1,789
Liabilities	
Creditors due in less than one year	(2,005)
Pensions	
Pension scheme assets	3,270
Pension scheme liabilities	(4,937)
	<u>(1,667)</u>
Net assets / (liabilities)	33,248

University of Brighton Academies Trust

Notes to the Accounts for the year ended 31 August 2018 (continued)

On 1st September 2017 the six academies in Hastings Academies Trust (formally University of Brighton Academies Trust), and all of the operations and assets and liabilities were transferred to University of Brighton Academies Trust.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academies.

The above table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

29 Teaching Schools Trading Account

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Income				
Grants	681		124	
Other income	44			
	<u>725</u>		<u>124</u>	
Expenditure				
Direct costs				
Direct Staff Costs	133		67	
Educational Supplies and Services	285		39	
Staff development	192		2	
Other direct costs	-		-	
Total direct costs	<u>(610)</u>		<u>(108)</u>	
Indirect costs				
Support staff costs	58		8	
Technology costs	-		-	
Maintenance of premises and equipment	-		-	
Security and transport	-		-	
Other support costs	3		8	
Total indirect costs	<u>(61)</u>		<u>(16)</u>	
Total expenditure		<u>(671)</u>		<u>(124)</u>
Surplus/(Deficit) from all sources		54		-
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		<u>54</u>		<u>-</u>