

Company Registration No. 07693338 (England and Wales)

BROOKE HILL ACADEMY TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018



BROOKE HILL ACADEMY TRUST LIMITED

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 10 |
| Governance statement | 11 - 14 |
| Statement on regularity, propriety and compliance | 15 |
| Statement of trustees' responsibilities | 16 |
| Independent auditor's report on the accounts | 17 - 19 |
| Independent reporting accountant's report on regularity | 20 - 21 |
| Statement of financial activities including income and expenditure account | 22 - 23 |
| Balance sheet | 24 |
| Statement of cash flows | 25 |
| Notes to the accounts including accounting policies | 26 - 46 |

BROOKE HILL ACADEMY TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr S A Foulkes
Lt Col. P Worthington (Left 14/03/2018)
Dr S Rogers
Mr K Ambrose
Captain K Manson (Appointed 14/03/2018)
Mrs F Parish (Appointed 29/11/2018)

Trustees

Mr S A Foulkes (Chair of Trustees)
Mr K C Ambrose
Mrs S R Milner
Mrs K A M Rowlands
Mrs S J Bunker
Mr B R Lewin (Resigned 14 March 2018)
Mr P A Rayers (Resigned 20 July 2018)
Mr T Smith
Mr R Haynes (Appointed 1 September 2017)
Mr P Hawker (Appointed 1 September 2017)
Rev I Osborne (Appointed 17 May 2018)
Mrs B Chesterfield (Appointed 12 November 2018)

Senior management team

| | |
|---------------------------------|---------------------|
| - Executive Head Teacher | Mrs S Milner |
| - Head of School - Brooke Hill | Mr R Westley |
| - Head of School - Edith Weston | Mrs L Pettman |
| - Head of School - South Witham | Mrs A O'Shaughnessy |
| - Deputy Head - Brooke Hill | Mrs E Hill |
| - Head of Teaching and Learning | Mrs L Martin |
| - Early Years Co-ordinator | Mrs N Weller |
| - SENCO | Mrs L Hall |
| - Business Manager | Mr D Smith |
| - Accounting Officer | Mrs S Milner |

Company registration number

07693338 (England and Wales)

Registered office

Brooke Hill Academy
Brooke Road
Oakham
LE15 6HQ

Academies operated

Brooke Hill Academy
Edith Weston Academy
South Witham Academy

Location

Oakham
Edith Weston
South Witham

Principal

Mr R Westley
Mrs L Pettman
Mrs A O'Shaughnessy

BROOKE HILL ACADEMY TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers

Lloyds Bank Plc
43 High Street
Oakham
LE15 6AJ

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a group of three academies for pupils aged 2 to 11 serving a catchment area in and around Oakham, Edith Weston, Rutland, and South Witham in Lincolnshire. Our overall PAN in the MAT is 610 and we currently have 492 pupils on roll plus 77 children registered in Pre School settings. In November 2017 Edith Weston was recognised as a 'Good' school by Ofsted. Brooke Hill was deemed 'Good' for the second time by Ofsted in November 2018. We are currently awaiting an inspection at South Witham to reflect the hard work of the Trust since the school joined us under a sponsorship agreement in November 2016. The school currently has an 'Inadequate' rating. Standards are high in each of our schools and our current statutory data shows that pupil attainment is above the national average in KS2 at each school.

The growth in the Trust enables us to offer excellent CPD opportunities for all staff, additional resources and learning for pupils, and financial benefits (best value, bulk buying) for all schools. An Executive Headteacher works across the schools and she is supported by a Business Manager and Finance Administrator working across the MAT. There is a clear impact on the quality of teaching and learning across all of our schools since the MAT was formed, and we offer a rich and vibrant curriculum and pride ourselves on our extensive in-school opportunities and our extracurricular provision. We have high academic standards and strong ties with our local community.

Structure, governance and management

Constitution

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

The trustees of Brooke Hill Academy Trust Limited are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2017 is covered by the RPA insurance scheme. The cost of this insurance is included in the total insurance cost.

Method of recruitment and appointment or election of trustees

A Governor's term of office is four years. At the end of the four years, the Governor is able to be re-elected. Should a vacancy arise due to resignation or the conclusion of a particular Governor's four-year term, the vacancy is advertised widely within the school and local community. If more than one candidate nomination is received an election is held. The candidates are given the opportunity to summarise their appropriate skills, experiences and reasons for volunteering and the information is widely broadcast to those entitled to vote (parents, carers, staff etc., depending upon type of governor). The candidate receiving the most votes is duly elected to the Governing Body and becomes a Director of the Multi-Academy Trust. We are fortunate to have a wide range of skills and expertise among our governors and actively seek to recruit governors with specific skills when needed. An annual skills audit informs our recruitment process.

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors are given a tour of the Academy and the chance to meet with staff and students.

Copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role are made available to the Governors. As there are normally few new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Training for all new governors is provided by Leicestershire Governance and the Academy receives details of all training courses available. All governors will be subject to a DBS check and informed about safeguarding procedures.

Organisational structure

The Multi-Academy Trust (MAT) is governed through a clear cascading structure. Strategy and overall governance is directed by the MAT Board of Trustees. Specific matters are then delegated through a series of sub-committees of the Director Body. Each sub-committee consists of at least five people, being a mixture of Governors and Academy staff. The sub-committee is always chaired by a Governor. The sub-committees in turn delegate to either the MAT management or to a local governing body that sits within each academy member of the Trust, each time with a clear limit of authority. The local governing body (LGB) is responsible for ensuring that MAT strategies are implemented within their individual establishment and that MAT quality and standards are maintained. If a decision is required which exceeds the limit of authority or if a committee is not quorate, the matter is referred back up to the delegating body to be heard at the committee or Board of Governors meeting as appropriate. If time is of the essence extraordinary meetings will be called.

The Trustees meet three times a year, once in each term. At those meetings, reports from all the sub-committees, the Executive Head Teacher and the Chair of Governors are shared and discussed and any necessary decisions are made.

During 2017/18 sub-committees were extant for the following:

Admissions (did not meet but is a standing item on all Resources agendas)

Resources (including finance, HR and premises)

Education Provision

Performance Management

SEND*

Complaints (did not meet)

*Those committees which serve the entire MAT to ensure consistency across the federation are marked *, the others operate at each individual school.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay at Brooke Hill Academy Trust are in line with the ISR range which is determined by the size of the school, according to the figures taken from the School census of the previous May. All members of the Senior Leadership Team (SLT) have substantial strategic responsibilities within the school for leadership, and these responsibilities are taken into account in determining the pay. All pay for senior staff is subject to the pay policy for Brooke Hill Academy Trust and this policy is reviewed annually by the Resources committee. The Executive Head Teacher has an appraisal annually, which is conducted by two Trustees with an external advisor; this will then determine the targets set for the current academic year. The targets set are then cascaded down to the staff through a robust Performance Management process to encourage a whole school approach which encompasses all staff in the improvement of the school. All staff members have objectives based around pupil progress, whole school improvement plan and CPD needs related to career stage expectations. Evidence on performance is moderated by Trustees/Directors at the end of the yearly Performance Management cycle. All pay awards are reviewed by the Resources committee.

Trade union facility time

During the year no staff time was spent on trade union facility time and no requests for any time were made. No costs were incurred in the year in relation to trade union facility time.

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

The MAT has no connected organisations or related parties outside of the MAT itself. Under the terms of our Academy Order we do offer guidance and assistance to other schools when requested and it is through this process that the MAT has grown to three schools.

Objectives and activities

Objects and aims

The Academy Trust aims to make learning fun and give children a brighter future through ensuring high academic standards and a wide range of extra-curricular opportunities. We strive to develop confident, responsible and caring individuals, who are motivated to achieve their potential and become active members of the wider community through:

- an exciting and stimulating curriculum
- challenge and achievement
- teamwork and friendship
- creativity and fun
- embracing new technologies
- outdoor learning
- respect and independence
- keeping healthy and safe
- encouraging lifelong learning

Our values are:

- courage
- determination
- self-belief
- equality
- inspiration
- encouragement

Our key priorities for 2017 -18 were:

- Outcomes for children and Learners:
 - Children are responsible for next steps in learning, recognising targets, progress and attainment
 - All children make at least 'expected or good' progress from Summer 2 assessments
- Quality of teaching, learning and assessment:
 - All teaching and learning is moving to outstanding as evidenced in books and data
 - Expectations are consistent across the curriculum
 - Explicit evidence of AfL being used across the curriculum
- Effectiveness of Leadership and Management:
 - Developing Middle Leaders
 - Increased % of good to outstanding teaching
 - Accurate analysis and interrogation of data to monitor improvements in teaching and learning
- Personal development, behaviour and welfare:
 - High expectations around behaviour to facilitate independence and resilience
 - To understand and celebrate British Values

Public benefit

The Members confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The MAT's public benefit is enshrined in its charitable objects, which state "The Academy Trust's object is to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing a trust offering a broad and balanced curriculum; and to promote for the benefits of Brooke Hill, Edith Weston and South Witham and the surrounding areas of each school, the provision of a hall for leisure and interest pursuits to individuals and groups who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare."

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and Performance

As a Trust we aim to provide a first class education for all of our pupils, meeting the needs of all children so that they can achieve their potential. Each school is individual and we strive to work together to build on the strengths of each school whilst providing the necessary support to bring each school to at least 'good' with high standards of attainment and quality all round provision.

Brooke Hill Academy is our pivotal school and continues to be oversubscribed, with high attainment and excellent outcomes for all pupils.

Edith Weston Academy joined our MAT in January 2016 and in November 2017 was rated 'Good' in all areas by Ofsted. The school primarily serves St Georges Barracks in North Luffenham and is currently experiencing a falling roll due to the impending closure of the barracks. Nearby housing is likely to continue to be used for military families and some private lets. We are also working with Rutland Council as there is a plan to develop the site for housing and a Garden Village. It is proposed that Edith Weston Academy is relocated to this site if it goes ahead. We await news on the planning application and development of the Local Plan.

South Witham Academy was rated as Inadequate by Ofsted in May 2016 and again by HMI in July 2016. Since September 2016 we have worked in the school to improve standards, overall provision and to create a positive and happy environment for children to learn in. Working with the local community has been challenging but we are gaining support and trust and our numbers have continued to grow with an additional 23 children joining us in the last year. Progress in all areas is evident. We have just opened a pre-school provision to fill a need in the local community and to improve baselines as children enter school.

During the year additional support was provided for children on the SEN register in each school, Forest Schools' sessions were committed to for two afternoons each week and all key stage 1 children had swimming lessons at Edith Weston. A comprehensive staff CPD plan, linked to performance management objectives was implemented for all staff in the MAT. We had a successful recruitment campaign and we are fully staffed in each school.

The trust is also establishing itself as a learning community for adults by providing staff training and participation sessions for a number of local schools.

The trust also encourages children to take part in charity fundraising and last year raised awareness and funds for Children in Need, NSPCC, LOROS, British Heart Foundation, Comic Relief and MacMillan Nurses.

Key performance indicators

The MAT's KPI's include, but are not restricted to, surplus position compared to budget, pupil progress against target, external test results compared to targets and national and local averages, staff and pupil attrition, results of staff, parent and pupil surveys and success and participation in extra-curricular activities. In 2017/18 the MAT has had a successful year on all measures.

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Statutory results for each school were as follows (% children reaching expected standards)

| KS2 | Brooke Hill | Edith Weston | South Witham | Rutland |
|------------|--------------------|---------------------|---------------------|----------------|
| Reading | 91 | 100 | 86 | 75 |
| Writing | 83 | 100 | 86 | 78 |
| **Spag | 86 | 100 | 86 | 78 |
| Maths | 84 | 83 | 86 | 76 |
| ***RWM | 79 | 83 | 67 | 64 |

| KS1 | Brooke Hill | Edith Weston | South Witham |
|------------|--------------------|---------------------|---------------------|
| Reading | 79 | 71 | 65 |
| Writing | 70 | 64 | 65 |
| Maths | 74 | 71 | 65 |
| Phonics | 93 | 73 | 69 |
| EYFS GLD | 79 | 64 | 65 |

Education

- Brooke Hill Academy - Excellent Ofsted report reflecting the many strengths of the school with significant progress being made since the last inspection (Ofsted November 2018 reflects this)
- Edith Weston Academy - Ofsted 'good' rating as significant improvement in all areas November 2017
- South Witham Academy - progress made in all areas and evidence of good capacity to improve further
- Pupil progress at least good across all schools with many pupils achieving accelerated progress in RWM
- SATs results as above, reflecting a great improvement on 2017 and showing the positive impact of strategic planning and appropriate interventions.
- All 3 schools gained Gold Sportsmark again
- Additional cross school activities - swimming, residential trips
- Enhanced extra-curricular provision
- Successful recruitment to sustain continued improvement - strengthening of the leadership team

Going concern

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

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The year-end result was in line with expectations – the first few years of including a new school, particularly a school deemed as 'Inadequate' in the MAT is always a challenge financially as we endeavour to improve standards of teaching and learning as fast as possible. Many years of sound financial planning and control have meant we have sufficient resources to allow short periods of investment above our existing income levels and the impact of this is evidenced by the excellent academic and non-academic results and progress achieved by all schools within the MAT. We continue to seek out additional sources of funds to assist in capital expenditure programme, where possible.

As stated above and shown in the financial statements the MAT continues to benefit from the freedoms afforded by its Academy status and although adding additional schools is at first a financial challenge, the economies of medium scale are found in later years. Continued focus on sound financial management means we have been able to invest healthy sums of money into improving the educational facilities for the children. This has included a wide range of technological and non-technological teaching and learning tools.

Financial report for the year

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants. The grants received from the DfE received during the year ended 31 August 2018 and the associated expenditure are shown in the statement of financial activities.

During the year ended 31 August 2018, total expenditure was £2,829,228, which shows is £56,359 in excess of income.

At 31 August 2018, the net book value of fixed assets was £6,817,566. The assets were used exclusively for providing education and the associated support services to the students of the MAT.

Reserves policy

The amount of reserves held at 31 August 2018 is £6,632,305.

The amount of restricted reserves that are not available for the general purposes of the Trust at at 31 August 2018 is £6,200,460 and no material funds have been committed as at that date. The amount of funds that can only be realised by disposing of fixed assets (i.e. value of fixed asset fund) are £6,817,566.

The amount of reserves in deficit at 31 August 2018 (Pension deficit and any others) is £663,000 and the amount of unrestricted funds at the same date is £431,845.

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

The trustees review the reserve levels of the MAT at the monthly Resources Committee. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to two months' expenditure, which is approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The MAT's current level of free reserves is £431,845.

The MAT's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The MAT's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the balance sheet shows a net liability of £663,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

The MAT has no investments other than bank deposits. The MAT does manage its cash flow carefully and places spare funds on deposit with higher rates of interest where possible.

Principal risks and uncertainties

The MAT finances and risk policies are run with the rigour of a much larger corporate environment. The committee structure ensures that all decisions are debated appropriately and the independent review of policies, process and risk by our Responsible Officer adds a further level of control.

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the MAT and its finances. The Trustees have implemented a regular review process to assess and reassess risks that the MAT faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have also formulated a business continuity/disaster recovery plan to ensure the ongoing provision of a learning environment should there be a significant loss of buildings, impairment of teaching facilities or major staff absence.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls which is regularly reviewed and assessed by the Responsible Officer.

The Risk Management Committee undertakes a comprehensive annual review of the risks to which the MAT is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the MAT.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the MAT's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Risk Management Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the MAT.

A risk register, covering low, medium and high-level risks, is maintained at MAT level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the MAT and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The policy is intended to cover all risks to the MAT achieving its educational, pastoral and community goals

Risk Assessment Process

To assess a particular risk and the threat it poses, the MAT uses two criteria:

- Impact – a quantification of the impact the risk will have on the school should it occur.
- Likelihood – the degree of likelihood of the risk actually occurring in practice.

These criteria are then combined to determine an overall assessment of risk severity using the materiality matrix. The matrices are designed to enable the consistent assessment of risks and to ensure relevance based on the relative materiality of the risk. Risks are identified, assessed, reported and mitigated using the matrices. These matrices are then used in conjunction with the creation and maintenance of the risk register. The risk register will be formally reviewed and updated three times per annum.

BROOKE HILL ACADEMY TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

Brooke Hill Academy and Edith Weston Academy both have an active PTA, working with the school staff to fund raise for the children. Staff work closely with the group and are represented at all meetings and events. Events have included disco's fetes, film nights and a Christmas raffle. Each group has a constitution and committee that meets regularly. Funding provides assistance towards the swimming buses, trips, book bags and the library area in each school. We are mindful of timing of requests to parents. Monitoring is carried out by school staff and governors during Resources meetings. All fundraising follows the guidelines of the Charity Commission. There have been no complaints. At South Witham Academy, a PTA is planned for the academic year 2018-19.

Plans for future periods

Our objectives for the academic year 2018/19 are:

- To improve end of year outcomes in maths and reading – 90%+ children making expected progress and 30%+ GD
- To improve the quality and quantity of STEM opportunities to raise standards
- All teaching and learning is consistently good and is moving to outstanding - as evidenced as progress in books, through class data and in lesson observations (using the outstanding teaching document each term)
- To ensure there is sufficient evidence of writing in all areas of the curriculum, with weekly opportunities for extended writing.
- Explicit evidence of AfL techniques being utilized across the curriculum by all staff
- To develop KS1 leadership and middle leadership across the MAT
- To maintain or increase pupil numbers across the MAT
- To support NQTs across the MAT, ensuring mentors are in place and CPD programmes followed
- To promote the wellbeing of the entire school community

Funds held as custodian trustee on behalf of others

The School and its Trustees do not act as the Custodian Trustees of any other Charity or organisation.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Baldwins 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 31/12/18 and signed on its behalf by:



.....
Mr S A Foulkes
Chair of Trustees

BROOKE HILL ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Brooke Hill Academy Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mr S A Foulkes (Chair of Trustees) | 3 | 3 |
| Mr K C Ambrose | 3 | 3 |
| Mrs S R Milner | 3 | 3 |
| Mrs K A M Rowlands | 2 | 3 |
| Mrs S J Bunker | 2 | 3 |
| Mr B R Lewin (Resigned 14 March 2018) | 0 | 1 |
| Mr P A Rayers (Resigned 20 July 2018) | 2 | 3 |
| Mr T Smith | 2 | 3 |
| Mr R Haynes (Appointed 1 September 2017) | 3 | 3 |
| Mr P Hawker (Appointed 1 September 2017) | 3 | 3 |
| Rev I Osborne (Appointed 17 May 2018) | 1 | 1 |

The resources committee has formally met 10 times during the year. Attendance during the year at meetings of the resources committee was as follows:

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mr S A Foulkes (Chair of Trustees) | 8 | 10 |
| Mr K C Ambrose | 8 | 10 |
| Mrs S R Milner | 10 | 10 |
| Mrs K A M Rowlands | 8 | 10 |
| Mrs S J Bunker | 9 | 10 |
| Mr T Smith | 6 | 10 |
| Mr P Hawker (Appointed 1 September 2017) | 9 | 10 |
| Rev I Osborne (Appointed 17 May 2018) | 2 | 4 |

Review of value for money

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

BROOKE HILL ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

It is the aim of Brooke Hill Academy to obtain and give best value for all supplies and services provided. The School definition of Best Value is that it must demonstrate economy and efficiency as well as effectiveness and quality. A balance between cost and quality while improving service is the aim of the Plan. The criteria used for assessing whether Best Value is achieved are Challenge, Compare, Consult and Compete.

1. Challenge - Do we need the service/product, i.e. will the service improve the performance of the School? Do we use the best provider?

2. Compare – What are our requirements – clear specification/objectives giving consideration to all methods of provision i.e. internal and external providers, possibility of partnerships or joint ventures with other educational establishments; comparisons of available benchmarking data such as SATs and Raise online results.

3. Consult – What do the stakeholders want? Are we providing what the pupils, parents, staff and community need? To do this we send out questionnaires.

4. Compete – Who can best provide the service/product?

- Obtain comparative quotations/costings.
- Check performance of service/product suppliers, i.e. recommendation by others, seeing product in use, etc.

To this end the School uses the following:

i. School Improvement Plan showing:

- aims and objectives for the academic year (also, 3 year and 5 year plan in place)
- targets for the academic year ahead and future years
- means of attaining these targets
- measurement of performance against targets
- governors allocate resources in line with the School Improvement Plan. The emphasis would change from year to year.

ii. A separate Technology Development Plan set out in a similar fashion to the whole School Development Plan. This incorporates ICT development in curriculum areas.

iii. A costed and prioritised premises maintenance/repair programme taking into consideration external funding and capital projects.

BROOKE HILL ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Consultation is carried out with all stakeholders – some of the mechanisms for this are:

- The School Council meets regularly with various staff members and is useful in obtaining pupils ideas and opinions on a variety of issues.
- The Governors have detailed Terms of Reference for all Committees which will highlight Governor Responsibilities and communication procedures.

Review mechanisms are in place for most areas as follows:

- Educational performance reviews are carried out internally by the Executive Head Teacher and Senior Leadership Team
- Financial reviews are carried out by the Leadership Team, School Business Manager, Governors, auditors and Ofsted. All suggestions are considered and acted upon as necessary.
- Staffing reviews are carried out annually through robust performance management, taking into consideration the School Improvement Plan. A comprehensive CPD plan is in place for all staff.
- Ofsted reviews educational and administrative functions and is the most complete external review.

70% of the Trust's expenditure is on people. Their cost is balanced against the educational needs of the school during budgeting with a heavy cross linkage between Governors with Finance and Personnel responsibilities and full involvement of the school staff management. All Governors approve the budget with a full knowledge of the staff implications and they agree variations. All staff appointments and changes with financial implications are done with at least Finance and Personnel Governors' involvement in selection and appointment.

Careful monitoring of the budget is undertaken by the Executive Head Teacher, Chair of Governors and Resources sub-committee.

The School Business Manager and Accounts Administrator have improved the coordination of budget management and day to day control of the budget.

All consumable items are discussed with staff and curriculum coordinators who take responsibility for ordering for their own subject areas. We have a variety of options open to us when ordering and the issue of best value is always considered. Green procurement is always considered when ordering goods.

Consultation with parents generally goes via the Parent Governor, surveys, PFA or at meetings held specifically to discuss particular issues with them. Two parents' evenings are held each year, when issues can be raised, although the school has an 'open door' policy at all times.

The children are consulted via the School Council representatives and their thoughts and opinions are considered when making change that will alter their environment. The School Business Manager takes responsibility for negotiating the best deals on repairs, maintenance and alterations or improvements. Insurance cover is provided via the EFA's Risk Protection Arrangement scheme, which gives us competitive buildings, staffing and contents cover.

Our energy contacts are also negotiated using RCCDC Property Services who find the most competitive tender from the variety of companies on offer.

Grounds maintenance is offered to the most competitive tender and reviewed annually in the light of performance.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brooke Hill Academy Trust Limited for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

BROOKE HILL ACADEMY TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to handle risk

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

The risk and control framework

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

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

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

- not to appoint an internal auditor. However the trustees have appointed Baldwins Holdings Limited t/as Rawlinsons, the external auditor, to perform additional checks;

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On completion of these review, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

As accounting officer the Executive Head Teacher 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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the management team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

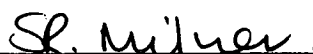
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 31/12/18 and signed on its behalf by:

Mr S A Foulkes
Chair of Trustees



Mrs S R Milner
Accounting Officer



BROOKE HILL ACADEMY TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

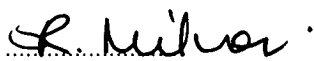
FOR THE YEAR ENDED 31 AUGUST 2018

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

Mrs S R Milner
Accounting Officer


3/12/18

BROOKE HILL ACADEMY TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Brooke Hill Academy Trust Limited for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

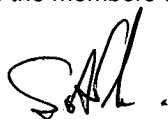
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on3/12/18..... and signed on its behalf by:



Mr S A Foulkes
Chair of Trustees

BROOKE HILL ACADEMY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROOKE HILL ACADEMY TRUST LIMITED

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Brooke Hill Academy Trust Limited 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 accounts, 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 accounts:

- give a true and fair view of the state of the charitable company'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 accounts' 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 accounts 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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

BROOKE HILL ACADEMY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROOKE HILL ACADEMY TRUST LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' 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 trustees' 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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.

BROOKE HILL ACADEMY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROOKE HILL ACADEMY TRUST LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.



**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

8/12/18
.....

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

BROOKE HILL ACADEMY TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROOKE HILL ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 23 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brooke Hill Academy Trust Limited 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 Brooke Hill Academy Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Brooke Hill Academy Trust Limited 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 Brooke Hill Academy Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Brooke Hill Academy Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Brooke Hill Academy Trust Limited's funding agreement with the Secretary of State for Education dated 1 September 2011 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.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

BROOKE HILL ACADEMY TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROOKE HILL ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.



Tracey Richardson BSc (Hons) FCA
Reporting Accountant
Baldwins Audit Services

Dated: 3/12/18 .

BROOKE HILL ACADEMY TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | Unrestricted Funds £ | Restricted funds: General Fixed asset £ £ | | Total 2018 £ | Total 2017 £ |
|---|-------|-------------------------|---|-----------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 21,884 | - | 17,587 | 39,471 | 49,437 |
| Donations - transfer from local authority on conversion | | - | - | - | - | 1,620,806 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 79,235 | 2,360,642 | - | 2,439,877 | 2,337,486 |
| Other trading activities | 5 | 76,039 | - | - | 76,039 | 87,086 |
| Investments | 6 | 3,482 | - | - | 3,482 | 2,880 |
| Total | | 180,640 | 2,360,642 | 17,587 | 2,558,869 | 4,097,695 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 116,475 | 2,534,606 | 178,147 | 2,829,228 | 2,719,752 |
| Total | 7 | 116,475 | 2,534,606 | 178,147 | 2,829,228 | 2,719,752 |
| Net income/(expenditure) | | 64,165 | (173,964) | (160,560) | (270,359) | 1,377,943 |
| Transfers between funds | 17 | - | (5,406) | 5,406 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 19 | - | 214,000 | - | 214,000 | 84,000 |
| Net movement in funds | | 64,165 | 34,630 | (155,154) | (56,359) | 1,461,943 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 367,680 | (651,736) | 6,972,720 | 6,688,664 | 5,226,721 |
| Total funds carried forward | | 431,845 | (617,106) | 6,817,566 | 6,632,305 | 6,688,664 |

BROOKE HILL ACADEMY TRUST LIMITED

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

FOR THE YEAR ENDED 31 AUGUST 2018

| Comparative year information Year ended 31 August 2017 | Notes | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2017 £ |
|---|-------|----------------------------|-----------------------------------|------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 31,641 | - | 17,796 | 49,437 |
| Donations - transfer from local authority on conversion | | 22,101 | (154,295) | 1,753,000 | 1,620,806 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 2,337,486 | - | 2,337,486 |
| Other trading activities | 5 | 87,086 | - | - | 87,086 |
| Investments | 6 | 2,880 | - | - | 2,880 |
| Total | | 143,708 | 2,183,191 | 1,770,796 | 4,097,695 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 32,002 | 2,489,915 | 197,835 | 2,719,752 |
| Total | 7 | 32,002 | 2,489,915 | 197,835 | 2,719,752 |
| Net income/(expenditure) | | 111,706 | (306,724) | 1,572,961 | 1,377,943 |
| Transfers between funds | 17 | (23,502) | - | 23,502 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 19 | - | 84,000 | - | 84,000 |
| Net movement in funds | | 88,204 | (222,724) | 1,596,463 | 1,461,943 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 279,476 | (429,012) | 5,376,257 | 5,226,721 |
| Total funds carried forward | | 367,680 | (651,736) | 6,972,720 | 6,688,664 |


BROOKE HILL ACADEMY TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

| | Notes | 2018 | | 2017 | |
|--|-------|----------------|-------------------------|----------------|-------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 6,817,566 | | 6,972,720 |
| Current assets | | | | | |
| Debtors | 14 | 80,596 | | 62,845 | |
| Cash at bank and in hand | | 599,506 | | 716,759 | |
| | | <u>680,102</u> | | <u>779,604</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (202,363) | | (309,660) | |
| Net current assets | | | <u>477,739</u> | | <u>469,944</u> |
| Net assets excluding pension liability | | | <u>7,295,305</u> | | <u>7,442,664</u> |
| Defined benefit pension scheme liability | 19 | | (663,000) | | (754,000) |
| Net assets | | | <u><u>6,632,305</u></u> | | <u><u>6,688,664</u></u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | 17 | | | | |
| - Fixed asset funds | | | 6,817,566 | | 6,972,720 |
| - Restricted income funds | | | 45,894 | | 102,264 |
| - Pension reserve | | | (663,000) | | (754,000) |
| Total restricted funds | | | <u>6,200,460</u> | | <u>6,320,984</u> |
| Unrestricted income funds | 17 | | <u>431,845</u> | | <u>367,680</u> |
| Total funds | | | <u><u>6,632,305</u></u> | | <u><u>6,688,664</u></u> |

The accounts on pages 22 to 46 were approved by the trustees and authorised for issue on 31/12/18 and are signed on their behalf by:



 Mr S A Foulkes
 Chair of Trustees

Company Number 07693338

BROOKE HILL ACADEMY TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|------------------|------------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | |
| Net cash (used in)/provided by operating activities | 20 | (115,328) | | 128,088 | |
| Cash funds transferred on conversion | | - | | 22,101 | |
| | | <u>(115,328)</u> | | <u>150,189</u> | |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 3,482 | | 2,880 | |
| Capital grants from DfE Group | | 17,587 | | 17,796 | |
| Purchase of tangible fixed assets | | <u>(22,994)</u> | | <u>(41,298)</u> | |
| Net cash used in investing activities | | | <u>(1,925)</u> | | <u>(20,622)</u> |
| Net (decrease)/increase in cash and cash equivalents in the reporting period | | | <u>(117,253)</u> | | <u>129,567</u> |
| Cash and cash equivalents at beginning of the year | | 716,759 | | 587,192 | |
| Cash and cash equivalents at end of the year | | <u>599,506</u> | | <u>716,759</u> | |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Brooke Hill Academy Trust Limited meets the definition of a public benefit entity under FRS 102.

The financial accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

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

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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the 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.

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Leasehold land and buildings have been valued by the trustees and brought into the accounts at that valuation.

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 | 2% straight line |
| Computer equipment | 4 years straight line |
| Fixtures, fittings & equipment | 4 years straight line |

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 Leased assets

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.

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

The LGPS is a funded multi-employer 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.

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.

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 17,587 | 17,587 | 17,796 |
| Other donations | 21,884 | - | 21,884 | 31,641 |
| | <u>21,884</u> | <u>17,587</u> | <u>39,471</u> | <u>49,437</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 1,796,972 | 1,796,972 | 1,802,656 |
| Other DfE group grants | - | 296,859 | 296,859 | 266,175 |
| | - | 2,093,831 | 2,093,831 | 2,068,831 |
| Other government grants | | | | |
| Local authority grants | - | 236,811 | 236,811 | 185,460 |
| Special educational projects | - | 30,000 | 30,000 | - |
| | - | 266,811 | 266,811 | 185,460 |
| Other funding | | | | |
| Other incoming resources | 79,235 | - | 79,235 | 83,195 |
| Total funding | 79,235 | 2,360,642 | 2,439,877 | 2,337,486 |

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 17,592 | - | 17,592 | 12,775 |
| Catering income | 29,917 | - | 29,917 | 32,002 |
| Other income | 28,530 | - | 28,530 | 42,309 |
| | 76,039 | - | 76,039 | 87,086 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest | 3,482 | - | 3,482 | 2,880 |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

| | Staff costs £ | Non Pay Expenditure Premises £ | Other £ | Total 2018 £ | Total 2017 £ |
|----------------------------------|------------------|--------------------------------------|----------------|--------------------|--------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 1,665,080 | - | 248,227 | 1,913,307 | 1,805,381 |
| - Allocated support costs | 342,706 | 370,076 | 203,139 | 915,921 | 914,371 |
| | <u>2,007,786</u> | <u>370,076</u> | <u>451,366</u> | <u>2,829,228</u> | <u>2,719,752</u> |

Net income/(expenditure) for the year includes:

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Fees payable to auditor for: | | |
| - Audit | 8,400 | 8,200 |
| - Other services | 5,553 | 7,030 |
| Operating lease rentals | 4,533 | 20,049 |
| Depreciation of tangible fixed assets | 178,147 | 197,835 |
| Net interest on defined benefit pension liability | 20,000 | 17,000 |
| | <u>216,633</u> | <u>250,114</u> |

8 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs - educational operations | 86,558 | 1,826,749 | 1,913,307 | 1,805,381 |
| Support costs - educational operations | 29,917 | 886,004 | 915,921 | 914,371 |
| | <u>116,475</u> | <u>2,712,753</u> | <u>2,829,228</u> | <u>2,719,752</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities (Continued)

| | Total 2018 £ | Total 2017 £ |
|--|--------------------|--------------------|
| Direct costs | | |
| Teaching and educational support staff costs | 1,650,607 | 1,513,846 |
| Staff development | 14,473 | 19,068 |
| Technology costs | 54,399 | 40,584 |
| Educational supplies and services | 193,828 | 231,883 |
| | <u>1,913,307</u> | <u>1,805,381</u> |
| Support costs | | |
| Support staff costs | 342,706 | 317,410 |
| Depreciation and amortisation | 178,147 | 197,835 |
| Personnel fees | 15,992 | 14,923 |
| Maintenance of premises and equipment | 51,401 | 63,105 |
| Equipment rental | 4,533 | 20,049 |
| Telephone, postage and stationery | 12,721 | 16,709 |
| Cleaning | 57,387 | 39,899 |
| Energy costs | 42,694 | 46,160 |
| Rent and rates | 25,930 | 17,223 |
| Insurance | 9,984 | 14,206 |
| Catering | 107,631 | 102,093 |
| Interest and finance costs | 20,000 | 17,000 |
| Bank charges | 1,446 | 1,783 |
| Other support costs | 19,036 | 14,800 |
| Governance costs | 26,313 | 31,176 |
| | <u>915,921</u> | <u>914,371</u> |

9 Staff

Staff costs

Staff costs during the year were:

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| Wages and salaries | 1,469,495 | 1,432,113 |
| Social security costs | 114,045 | 107,622 |
| Pension costs | 361,353 | 285,015 |
| | <u>1,944,893</u> | <u>1,824,750</u> |
| Staff costs | 1,944,893 | 1,824,750 |
| Agency staff costs | 48,420 | 6,506 |
| Staff development and other staff costs | 14,473 | 19,068 |
| | <u>2,007,786</u> | <u>1,850,324</u> |
| Total staff expenditure | 2,007,786 | 1,850,324 |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Staff numbers

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

| | 2018 Number | 2017 Number |
|----------------------------|----------------|----------------|
| Teachers | 35 | 36 |
| Administration and support | 52 | 49 |
| Management | 1 | 1 |
| | <u>88</u> | <u>86</u> |

Higher paid staff

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

| | 2018 Number | 2017 Number |
|-------------------------------|----------------|----------------|
| In the band £70,001 - £80,000 | <u>1</u> | <u>1</u> |

The above employee earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this member amounted to £13,235 (2017: £12,786).

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 £396,952 (2017: £349,971).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

S R Milner (Executive headteacher)

Remuneration £75,000 - £80,000 (2017 - £75,000 - £80,000)

Employer's pension contributions £10,000 - £15,000 (2017 - £10,000 - £15,000)

During the year no Governors received any reimbursement of expenses (2017 - £nil).

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees and officers insurance

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

12 Tangible fixed assets

| | Land and buildings | Computer equipment | Fixtures, fittings & equipment | Total |
|-----------------------|-----------------------|-----------------------|--------------------------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 September 2017 | 7,256,367 | 85,764 | 312,328 | 7,654,459 |
| Additions | - | - | 22,994 | 22,994 |
| At 31 August 2018 | 7,256,367 | 85,764 | 335,322 | 7,677,453 |
| Depreciation | | | | |
| At 1 September 2017 | 386,768 | 48,809 | 246,162 | 681,739 |
| Charge for the year | 130,568 | 17,402 | 30,178 | 178,148 |
| At 31 August 2018 | 517,336 | 66,211 | 276,340 | 859,887 |
| Net book value | | | | |
| At 31 August 2018 | 6,739,031 | 19,553 | 58,982 | 6,817,566 |
| At 31 August 2017 | 6,869,599 | 36,955 | 66,166 | 6,972,720 |

13 Financial instruments

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Trade debtors | - | 1,774 |
| Bank and cash | 599,506 | 716,759 |
| | 599,506 | 718,533 |
| Carrying amount of financial liabilities | | |
| Trade payables | 74,211 | 91,278 |
| Accruals | 36,656 | 38,123 |
| | 110,867 | 129,401 |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

| | | |
|--|----------------------|-----------------------|
| 14 Debtors | 2018 | 2017 |
| | £ | £ |
| Trade debtors | - | 1,774 |
| VAT recoverable | 14,765 | 9,875 |
| Other debtors | 1,872 | 1,721 |
| Prepayments and accrued income | 63,959 | 49,475 |
| | <u>80,596</u> | <u>62,845</u> |
| 15 Creditors: amounts falling due within one year | 2018 | 2017 |
| | £ | £ |
| Trade creditors | 74,211 | 91,278 |
| Other taxation and social security | 27,780 | 26,653 |
| Other creditors | 872 | 29,725 |
| Accruals and deferred income | 99,500 | 162,004 |
| | <u>202,363</u> | <u>309,660</u> |
| 16 Deferred income | 2018 | 2017 |
| | £ | £ |
| Deferred income is included within: | | |
| Creditors due within one year | <u>62,844</u> | <u>123,881</u> |
| Deferred income at 1 September 2017 | 123,881 | 159,545 |
| Released from previous years | (123,881) | (159,545) |
| Resources deferred in the year | <u>62,844</u> | <u>123,881</u> |
| Deferred income at 31 August 2018 | <u><u>62,844</u></u> | <u><u>123,881</u></u> |

Deferred income relates to funds received in advance for grant funding for Universal Infant Free School Meals, sponsorship funding and other government grants for the 2018/19 year.

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 89,407 | 1,796,972 | (1,835,079) | (5,406) | 45,894 |
| Other DfE / ESFA grants | - | 296,859 | (296,859) | - | - |
| Other government grants | 12,857 | 266,811 | (279,668) | - | - |
| Pension reserve | (754,000) | - | (123,000) | 214,000 | (663,000) |
| | <u>(651,736)</u> | <u>2,360,642</u> | <u>(2,534,606)</u> | <u>208,594</u> | <u>(617,106)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 6,308,086 | - | (99,661) | - | 6,208,425 |
| DfE group capital grants | 104,826 | 17,587 | (9,955) | - | 112,458 |
| Capital expenditure from GAG | 118,933 | - | (59,343) | 5,406 | 64,996 |
| Other government grants | 440,875 | - | (9,188) | - | 431,687 |
| | <u>6,972,720</u> | <u>17,587</u> | <u>(178,147)</u> | <u>5,406</u> | <u>6,817,566</u> |
| Total restricted funds | <u>6,320,984</u> | <u>2,378,229</u> | <u>(2,712,753)</u> | <u>214,000</u> | <u>6,200,460</u> |
| Unrestricted funds | | | | | |
| General funds | <u>367,680</u> | <u>180,640</u> | <u>(116,475)</u> | <u>-</u> | <u>431,845</u> |
| Total funds | <u>6,688,664</u> | <u>2,558,869</u> | <u>(2,829,228)</u> | <u>214,000</u> | <u>6,632,305</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfer figure is the amount of other funds used to acquire fixed assets.

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

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 7,067 | 1,802,656 | (1,720,316) | - | 89,407 |
| Other DfE / ESFA grants | 52,884 | 266,175 | (319,059) | - | - |
| Other government grants | 12,857 | 185,460 | (185,460) | - | 12,857 |
| Other restricted funds | 1,180 | 164,900 | (166,080) | - | - |
| Pension reserve | (503,000) | (236,000) | (99,000) | 84,000 | (754,000) |
| | <u>(429,012)</u> | <u>2,183,191</u> | <u>(2,489,915)</u> | <u>84,000</u> | <u>(651,736)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 4,654,747 | 1,753,000 | (99,661) | - | 6,308,086 |
| DfE group capital grants | 95,051 | 17,796 | (8,021) | - | 104,826 |
| Capital expenditure from GAG | 176,396 | - | (80,965) | 23,502 | 118,933 |
| Other government grants | 450,063 | - | (9,188) | - | 440,875 |
| | <u>5,376,257</u> | <u>1,770,796</u> | <u>(197,835)</u> | <u>23,502</u> | <u>6,972,720</u> |
| Total restricted funds | <u>4,947,245</u> | <u>3,953,987</u> | <u>(2,687,750)</u> | <u>107,502</u> | <u>6,320,984</u> |
| Unrestricted funds | | | | | |
| General funds | <u>279,476</u> | <u>143,708</u> | <u>(32,002)</u> | <u>(23,502)</u> | <u>367,680</u> |
| Total funds | <u>5,226,721</u> | <u>4,097,695</u> | <u>(2,719,752)</u> | <u>84,000</u> | <u>6,688,664</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2018 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 7,067 | 3,599,628 | (3,555,395) | (5,406) | 45,894 |
| Other DfE / ESFA grants | 52,884 | 563,034 | (615,918) | - | - |
| Other government grants | 12,857 | 452,271 | (465,128) | - | - |
| Other restricted funds | 1,180 | 164,900 | (166,080) | - | - |
| Pension reserve | (503,000) | (236,000) | (222,000) | 298,000 | (663,000) |
| | <u>(429,012)</u> | <u>4,543,833</u> | <u>(5,024,521)</u> | <u>292,594</u> | <u>(617,106)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 4,654,747 | 1,753,000 | (199,322) | - | 6,208,425 |
| DfE group capital grants | 95,051 | 35,383 | (17,976) | - | 112,458 |
| Capital expenditure from GAG | 176,396 | - | (140,308) | 28,908 | 64,996 |
| Other government grants | 450,063 | - | (18,376) | - | 431,687 |
| | <u>5,376,257</u> | <u>1,788,383</u> | <u>(375,982)</u> | <u>28,908</u> | <u>6,817,566</u> |
| Total restricted funds | <u>4,947,245</u> | <u>6,332,216</u> | <u>(5,400,503)</u> | <u>321,502</u> | <u>6,200,460</u> |
| Unrestricted funds | | | | | |
| General funds | <u>279,476</u> | <u>324,348</u> | <u>(148,477)</u> | <u>(23,502)</u> | <u>431,845</u> |
| Total funds | <u>5,226,721</u> | <u>6,656,564</u> | <u>(5,548,980)</u> | <u>298,000</u> | <u>6,632,305</u> |

Total funds analysis by academy

| | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Fund balances at 31 August 2018 were allocated as follows: | | |
| Brooke Hill Academy | 354,477 | 308,005 |
| Edith Weston Academy | 119,434 | 120,114 |
| South Witham Academy | 3,828 | 41,825 |
| Total before fixed assets fund and pension reserve | <u>477,739</u> | <u>469,944</u> |
| Restricted fixed asset fund | 6,817,566 | 6,972,720 |
| Pension reserve | (663,000) | (754,000) |
| Total funds | <u>6,632,305</u> | <u>6,688,664</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total cost analysis by academy

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

| | Teaching and educational support staff | Other support staff costs | Educational supplies | Other costs excluding depreciation | Total |
|----------------------|--|------------------------------|-------------------------|--|------------------|
| | £ | £ | £ | £ | £ |
| Brooke Hill Academy | 870,897 | 173,177 | 93,015 | 264,658 | 1,401,747 |
| Edith Weston Academy | 376,353 | 84,776 | 37,266 | 91,020 | 589,415 |
| South Witham Academy | 403,357 | 84,753 | 63,547 | 108,262 | 659,919 |
| | <u>1,650,607</u> | <u>342,706</u> | <u>193,828</u> | <u>463,940</u> | <u>2,651,081</u> |

18 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 6,817,566 | 6,817,566 |
| Current assets | 431,845 | 248,257 | - | 680,102 |
| Creditors falling due within one year | - | (202,363) | - | (202,363) |
| Defined benefit pension liability | - | (663,000) | - | (663,000) |
| Total net assets | <u>431,845</u> | <u>(617,106)</u> | <u>6,817,566</u> | <u>6,632,305</u> |

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 6,972,720 | 6,972,720 |
| Current assets | 367,680 | 411,924 | - | 779,604 |
| Creditors falling due within one year | - | (309,660) | - | (309,660) |
| Defined benefit pension liability | - | (754,000) | - | (754,000) |
| Total net assets | <u>367,680</u> | <u>(651,736)</u> | <u>6,972,720</u> | <u>6,688,664</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 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 Leicestershire County Council and Lincolnshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £nil (2017: £29,457) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £147,561 (2017: £137,170).

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

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.1% for employers and 5.5 to 9.9% 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 £ | 2017 £ |
|--------------------------|----------------|----------------|
| Employer's contributions | 108,000 | 100,000 |
| Employees' contributions | 28,000 | 28,000 |
| Total contributions | <u>136,000</u> | <u>128,000</u> |

| Principal actuarial assumptions | 2018 % | 2017 % |
|--|------------|------------|
| Rate of increase in salaries | 3.0 | 3.1 |
| Rate of increase for pensions in payment/inflation | 2.3 | 2.4 |
| Discount rate for scheme liabilities | <u>2.8</u> | <u>2.5</u> |

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

| | 2018 Years | 2017 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 22.1 | 22.1 |
| - Females | 24.4 | 24.4 |
| Retiring in 20 years | | |
| - Males | 24.0 | 24.0 |
| - Females | <u>26.4</u> | <u>26.4</u> |

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

| | 2018 £ | 2017 £ |
|----------------------|---------------|---------------|
| Discount rate - 0.1% | 47,000 | 44,000 |
| CPI rate + 0.1% | <u>38,200</u> | <u>34,200</u> |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

| | 2018 Fair value £ | 2017 Fair value £ |
|------------------------------|-------------------------|-------------------------|
| Equities | 643,400 | 605,375 |
| Bonds | 252,990 | 133,600 |
| Cash | 18,560 | 25,050 |
| Property | 94,050 | 70,975 |
| Total market value of assets | 1,009,000 | 835,000 |

The actual return on scheme assets was £47,000 (2017: £77,000).

Amount recognised in the Statement of Financial Activities

| | 2018 £ | 2017 £ |
|------------------------|-----------|-----------|
| Current service cost | 211,000 | 182,000 |
| Interest income | (22,000) | (15,000) |
| Interest cost | 42,000 | 32,000 |
| Total operating charge | 231,000 | 199,000 |

Changes in the present value of defined benefit obligations

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| At 1 September 2017 | 1,589,000 | 1,069,000 |
| Transferred in on existing academies joining the academy trust | - | 309,000 |
| Current service cost | 211,000 | 182,000 |
| Interest cost | 42,000 | 32,000 |
| Employee contributions | 28,000 | 28,000 |
| Actuarial gain | (189,000) | (22,000) |
| Benefits paid | (9,000) | (9,000) |
| At 31 August 2018 | 1,672,000 | 1,589,000 |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| At 1 September 2017 | 835,000 | 566,000 |
| Transferred in on existing academies joining the academy trust | - | 73,000 |
| Interest income | 22,000 | 15,000 |
| Actuarial gain | 25,000 | 62,000 |
| Employer contributions | 108,000 | 100,000 |
| Employee contributions | 28,000 | 28,000 |
| Benefits paid | (9,000) | (9,000) |
| At 31 August 2018 | 1,009,000 | 835,000 |

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

| | 2018 £ | 2017 £ |
|--|-----------|-------------|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (270,359) | 1,377,943 |
| Adjusted for: | | |
| Net surplus on conversion to academy | - | (1,620,806) |
| Capital grants from DfE/ESFA and other capital income | (17,587) | (17,796) |
| Investment income receivable | (3,482) | (2,880) |
| Defined benefit pension costs less contributions payable | 103,000 | 82,000 |
| Defined benefit pension net finance cost | 20,000 | 17,000 |
| Depreciation of tangible fixed assets | 178,147 | 197,835 |
| (Increase) in debtors | (17,751) | (24,330) |
| (Decrease)/increase in creditors | (107,296) | 37,417 |
| Stocks, debtors and creditors transferred on conversion | - | 81,705 |
| Net cash (used in)/provided by operating activities | (115,328) | 128,088 |

21 Commitments under operating leases

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

| | 2018 £ | 2017 £ |
|-----------------------------------|-----------|-----------|
| Amounts due within one year | 2,935 | 3,187 |
| Amounts due in two and five years | 1,634 | 4,569 |
| | 4,569 | 7,756 |

BROOKE HILL ACADEMY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the year the Trust paid JT Decorating, a business in which the partner of S Bunker, member and trustee, has an interest, £1,710 (2017 - £nil) in respect of decorating services.

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

23 Members' liability

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