

Registrar

Company Registration Number: 07711925 (United Kingdom)

Barton Court Academy Trust
(formerly Barton Court Grammar School Academy)

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017



Barton Court Academy Trust**(A company limited by guarantee)**

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Barton Court Academy Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy trust, its trustees and advisers
For the Year Ended 31 August 2017

Members

Dr. W. Speed
Mrs. V. Elgar
Dr. M. Ferber
Mr. R. de Fougerolles
Dr. P. Klappa (appointed 25 October 2016)

Trustees

Dr. W. Speed, Chair of Trustees ^{1,2, 3 5}
Mrs. V. Elgar ^{1,3, 4, 5}
Ms. K. Cardus, Executive Head Teacher ^{1,2,3}
Miss. F. Adam, Chair of Finance Committee ^{1,4}
Mr. M. Blake, Staff Trustee ^{1 2}
Mr. D. Smith^{2,5}
Ms. V. Evans (resigned 27 September 2016)
Mrs. F. Beaton (resigned 27 September 2016)
Mr. C. Palmer (resigned 27 September 2016)
Mr. M. Dixon (resigned 27 September 2016)
Dr. P. Klappa (resigned 2 September 2016)
Mrs. P.E. Watts^{1,3,4} (appointed 25 October 2016)

¹ members of the Finance & Premises Committee

² members of the Quality Assurance Committee

³ members of the Personnel Committee

⁴ members of the Audit & Risk Committee

⁵ members of the Pay Committee

Company registered number 07711925

Company name Barton Court Academy Trust

Principal and registered office Barton Court Academy Trust
Longport,
Canterbury
Kent
CT1 1PH

Company secretary Mrs. V. Elgar

Chief executive officer Ms. K. Cardus

Senior Management Teams

Barton Court Grammar School

Ms. K. Cardus, Executive Headteacher
Mr. I. Macaulay, Head of School (appointed 1 June 2017)
Mrs. C. Benard-Grosso, Deputy Head Teacher
Ms. A. Haley, Deputy Head Teacher
Mr. J. Fairfax, Assistant Head Teacher

The Charles Dickens School (with effect from 1 March 2017)

Ms. K. Cardus, Executive Head Teacher
Mr. R. Morgan, Head of School
Mrs. C. Benard-Grosso, BCAT Deputy Headteacher
Mrs. M. Lawson, Deputy Headteacher (appointed 18 April 2017)
Mr. P. Sawyer, Assistant Headteacher (resigned with effect from 31 August 2017)
Mr. S. Clarke, Assistant Headteacher (resigned with effect from 31 May 2017)

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Reference and Administrative Details of the Academy trust, its trustees and advisers
For the Year Ended 31 August 2017

Trust Business Management Team:

Mrs. T. Swift, Trust Finance & Premises Manager
Mr. M. Blake, ICT Strategy & Projects Manager
Mrs. R. Light, PA to EHT, Personnel & Marketing Manager

Independent auditors

UHY Kent LLP t/a UHY Hacker Young
Chartered Accountants and
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Bankers

Nat West Bank plc
11 The Parade
Canterbury
Kent
CT1 2SQ

Barton Court Academy Trust
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Trustees' Report
For the Year Ended 31 August 2017

The trustees present their annual report and auditors' report of the academy trust for the year ended 31 August 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust was incorporated on 20 July 2011 as a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the academy trust.

Barton Court Grammar School Academy Trust changed its name to Barton Court Academy Trust (BCAT) upon alteration of its articles on 27 September 2016 in anticipation of becoming a multi-academy trust (MAT). The Charles Dickens School joined BCAT on 1 March 2017 and Barton Court Grammar School is the Lead School of the MAT.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1. The majority of trustees who resigned on 27 September 2016 now serve as Governors on the Barton Court Grammar School Local Governing Body.

The trustees are also the directors of the academy trust for the purposes of company law.

Members' liability

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

Trustees' indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 12 to the financial statements.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the academy trust shall have the following trustees:

- The number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum;
- The Members may appoint up to 7 trustees;
- a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A;
- The total number of staff trustees, including the Executive Head teacher, should not exceed one third of the total number of trustees;
- The Executive Head Teacher shall be treated for all purposes as being an ex officio trustee;
- The trustees may appoint up to 3 Co-opted trustees; and
- Trustees are recruited based upon an identified skill set needs. Vacancies are advertised with the National Governors Association, with stakeholders and within the local community as appropriate. Candidates are shortlisted and interviewed and any successful candidate is approved by the BCAT Board of Directors.

The members may not appoint any trustees unless the total number of trustees is less than three, in which case the members may make the appropriate appointments, in accordance with the Articles.

A trustees' term of office is four years (excluding the Head teacher) but a trustee is eligible for re-election at the meeting at which they retire.

Appropriate training is provided to all new trustees, as required.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Policies and procedures adopted for the induction and training of trustees (see below for number of meetings this year)

During the year under review the Directors/Trustees met 5 times and there were 13 committee meetings. 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 will be given a tour of the school and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a period, induction tends to be done informally and is tailored specifically to the individual.

The number of meetings held was as follows:

1 September 2016 to 28 February 2017

Directors	FGB	Finance	Teaching, Learning & Pastoral
3	3	2	1

1st March 2017 to 31 August 2017

BCAT Directors	BCAT Finance	BCAT QA	BCAT Personnel	BCGS LGB	BCGS QA	CDS LGB	CDS QA
2	2	1	1	1	1	2	0

Organisation structure

The organisational structure consists of four levels: the trustees, The Senior Leadership Team with each school (including the extended Senior Leadership Team which includes Learning Directors), the Trust Business Management Team and Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Leadership Team comprises the Executive Head teacher, and within each School a Head of School, two Deputy Head teachers and one Assistant Head teacher. This group oversees the strategic management of each academy within the Trust implementing policies and plans set by the Board of Directors/Trustees. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The appointment board for posts in the Senior Leadership Team always contain a Trustee and a Governor from the Local Governing Body. Some spending control is devolved to members of the Trust Business Management Team and Middle Management Team within a set budget.

The Trust Business Management Team are responsible for the Financial, Premises, ICT Strategy, Projects and Marketing of the Trust.

The Middle Management Team includes Curriculum Leaders, Heads of Year and Lead Practitioners. Along with the Senior Management Team these managers are responsible for the day to day operation of each academy within the Trust, in particular organising the teaching staff, support staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Executive Headteacher and following guidance from the relevant professional pay review bodies. Naturally the Executive Headteacher was not involved in setting his/her own remuneration package.

Only staff trustees, including the Executive Headteacher, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 11.

The day to day running of the remuneration policy is delegated to the Executive Headteacher and monitored by the Finance and Premises committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Arrangements for setting pay and remuneration of key management personnel – cont

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked [closely] to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bears in mind the charitable status of the academy trust and recognises the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 10.

Risk management

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the school 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 introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Connected organisations, including related parties

Barton Court Grammar School is a strategic partner in the New Horizons Teaching School Alliance and works with this organisation and the many schools affiliated with this organisation including The Thinking Schools Academy Trust (TSAT) to provide school-to-school support and staff training to aid school improvement. Barton Court Grammar School has a Parent Teacher Association, Barton Court Association, who are not a registered charity which organises various fundraising events to provide facilities for the pupils of Barton Court Grammar School. The Charles Dickens School has a Parent and Friends Association (PFA) that is a registered charity which organises various fundraising events to provide facilities for the pupils of The Charles Dickens School.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object of the academy trust is the operation of Barton Court Grammar School to provide education for pupils of selective ability between the ages of 11 and 19 and the operation of The Charles Dickens School to provide education for pupils between the ages of 11 and 16.

Objective, strategies and activities

The main objectives of the academy trust during the year ended 31 August 2017 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of each school within the Academy Trust by keeping the curriculum and organizational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- and some weekend activities;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Objective, strategies and activities - cont

The academy trust's main strategy is encompassed in its mission statement which is:

"Barton Court Academy Trust (BCAT) will provide aspirational educational opportunities in all its academies to improve the life chances of its children and young people; delivered through strong partnerships between staff, students and parents that share our core values of excellence and equity."

Our values:

Achievement
Challenge/Creativity/Confidence
High Aspiration
Independent thinkers
Equality
Valued
Excellence

The academy trust produces an annual Strategic Plan, and each school within the Trust, a School Development Plan, which details how it intends to achieve the aims and objectives for the period. The activities provided include:

- Barton Court Grammar School Academy, a Single Academy Trust, became Barton Court Academy Trust (BCAT), a Multi-Academy Trust, on 23 September 2016 in preparation for the proposed sponsorship of The Charles Dickens School, an 11-18yrs non-selective school in Broadstairs, Kent.
- The Directors propose to expand BCAT over the next 3 -5 years with the addition of either new provision, sponsorship or converter academies.
- To open a 11-18yrs non-selective Free School on the former Chaucer site in Canterbury, Kent.
- To expand provision on our current site with the completion of a new block comprising of 7 classrooms, 3 Science Laboratories, kitchen and servery, separate dining facilities, additional washrooms, to allow the school to expand to SFE from 2017 onwards.
- tuition and learning opportunities for all students to attain appropriate academic qualifications.
- training opportunities for all staff, and especially teaching staff.
- a programme of sporting and after school leisure activities for all students.
- a system of after school clubs.
- a careers advisory service to help students obtain employment or move on to higher education.

Public benefit

Barton Court Academy Trust is a state funded Trust comprising of a Grammar School and a non-selective High School and strives to promote and support the advancement of education within East Kent. In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, but believe that the academy trust's educational aims are demonstrably to the public benefit.

The Trust also aims to contribute to the benefit of the wider public wherever possible, and in particular each School raises funds for various local and national charities each year.

Our students volunteer their time for a variety of events and organisations. Their voluntary activities may count as hours towards their AQA Bacc enrichment component or the Duke of Edinburgh scheme. Additionally, they may support applications for further work or study. In recent years, the events and organisations have included:

- **Charities:** Cancer Research UK, British Legion Poppy Appeal, Porchlight, Marie Curie Cancer Care, Make a Wish Foundation, Kent Air Ambulance, Pilgrims Hospice, MacMillan Cancer Research, Help for Heroes, RAF Benevolent Fund, Kent Dogs for the Blind, Comic Relief, Movember.
- **First aid and medical care:** British Red Cross Peer Education, Headway, Pilgrim's Hospice, Queen Elizabeth the Queen Mother Hospital (A&E department), St John Ambulance, St Martin's Hospital, Strode Park, and veterinary practices.
- **Sporting organisations:** British Rhythmic Gymnastics Team, Canterbury Golf Club, City of Canterbury Swimming Club, Great Britain Ultimate Frisbee Team, Herne Bay Sailing Club, and Kent County Cricket Club.
- **Cultural events and organisations:** Anifest, Beaney Art Museum and Library, Canterbury Festival, Diamond Jubilee Charity Gala, Horsebridge Arts and Community Centre, Model United Nations Conference, and the Royal Court Theatre.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Public benefit - cont.

- **Working with children and young people:** Beavers, Brownies, Cubs, Duke of Edinburgh Award, Girl Guides, Kent Youth Council, Language Leaders Award, Messy Church, and Scouts. Additionally, our students have assisted in a wide range of local primary, infant and nursery schools, and in youth clubs.
- **Other organisations:** CCCU, Chatham Historic Dockyard, Kent County Council, Mid-Kent College, and UKC.

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the ground floor areas of the academy trust buildings. Lifts enable wheelchair access to the majority of the first floor areas of the academy trust buildings. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

Achievements and performance

The trustees were very pleased with the main academic achievement in the year which can be summarised as follows:

- Barton Court Grammar School was inspected by Ofsted in March 2014 and was graded as "Outstanding";
- Barton Court Grammar School was accredited as an "Advanced Thinking School" by Exeter University in July 2017;
- Barton Court Year 13: 54% of all grades at A level were at A*/B, 79% at A*-C, and 100% at A*-E;
- Barton Court Year 11: 48% of grades at GCSE were at A*/A; and 97% of students passed both their English and Mathematics GCSE; 71% passed the EBACC; 96.7% of students achieved five plus A* - C, including English and Mathematics.

The Charles Dickens School, which joined the Trust on 1 March 2017, achieved the following results in the summer of 2017:

- The Charles Dickens School Year 11: 10% of grades at GCSE were at A*/A; and 38% of students passed both their English and Mathematics GCSE; 1% passed the EBACC; 36% of students achieved five plus A* - C, including English and Mathematics.

Going concern

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

Key performance indicators

The trustees consider that the following are key performance indicators for the academy trust:

- Barton Court to maintain its "Outstanding" status by Ofsted;
- Barton Court to maintain Advanced Thinking School Status accredited by Exeter University;
- Barton Court to continue to maintain the excellent standards set in terms of pupil attainment and progress so that all students achieve their best and make either the expected progress or more than expected progress at the end of KS4 and KS5; This will be measured by positive P8 score at GCSE and positive Value Added Score at KS5.
- The Charles Dickens School joined BCAT on 1st March 2017 and is supported by the Lead School, Barton Court, to ensure that all students make either expected or more than expected progress at the end of KS4 and this will be measured by a positive P8 score. Success will also be measured by the School achieving a "Good" status by Ofsted by 2020 and an "Outstanding" status by Ofsted by 2022
- Percentage of income received from ESFA spent on teaching staff to be 65% or less;
- Percentage of income received from ESFA spent on total staff costs to be 85% or less;
- Pupils numbers (leading directly to ESFA funding level), Each school within the Trust to recruit into Y7 at PAN (Published Admission Number),
- General financial stability-aim for expenditure to match income each year. The 5 year financial plan to ensure all schools within the Trust remain financially viable

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the year, except for The Charles Dickens School that only joined the Trust on 1 March 2017.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Financial review

Most of the trust's recurrent income is obtained from the Education Skills & Funding Agency ("ESFA") in the form of grants, the use of which is restricted to particular purposes. The grants received from ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

However during the current year the trust expanded when The Charles Dickens School converted to academy status and joined the trust on 1 March 2017. The assets and liabilities in hand on the conversion date, including the school land and buildings at valuation, are reflected in the SoFA as a net donation of £17.9m in accordance with the ESFA Accounts Direction. Further details about balances inherited are provided in note 20 to these financial statements.

Income for the year, and the overall result presented by the SoFA, is therefore heavily influenced by this one-off exceptional transaction. The timing of when The Charles Dickens School joined the trust, mid-way through the academic and financial year, also impacts on the financial results and makes comparisons with the prior period difficult. Total income for the year was £29.5m, and with expenditure of £7.8m the net income for the year was £21.7m.

Total income was also boosted this year by significant capital grant funding of £4.0m. This includes £1.7m Condition Improvement Funding grants from ESFA, and a £2.2m capital grant from Kent County Council.

It is therefore more useful to consider the operating result on revenue funds, however this is not easy to see on the SoFA due to the way academy trusts are required to present their accounts in accordance with charity legislation. Excluding the inherited asset donation, net income for the year from revenue funds was £367k, although a large proportion of this, £276k, was then used to fund capital additions.

Whilst the SoFA reports net income for the year of £21.7m, as noted above, the overall movement in funds during the year also includes a significant actuarial gain of £455k relating to the Local Government Pension Scheme liability and this brings the movement in net funds to £22.1m. As explained in the accounting policies section of the financial statements, the LGPS is a funded defined benefit pension scheme and a provision for estimated pension liabilities is included in the academy trust's Balance Sheet. The actuarial gain, which is only part of the movement during the year, partially reverses the actuarial losses in recent years, and is line with the movements seen by most academies after the triennial revaluation of the LGPS to 31 March 2016.

At 31 August 2017, the net book value of fixed assets was £26.1m and movements in tangible fixed assets are shown in note 13 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the trust's academies, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

The Academy held fund balances at 31 August 2017 of £27.4m. These funds comprised restricted fixed asset funds of £27.9m, restricted revenue funds of £530k and unrestricted revenue funds of £1.17m.

There is also a pension reserve deficit of £2.2m. This is the only fund in deficit at 31 August 2017, and this deficit does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the Academy have been fixed for the three years commencing 1 April 2017.

Financial and risk management objectives and policies

The academy trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The main financial risks that the academy trust is exposed to are liquidity risk and cash flow interest rate risk, as explained below.

- *Liquidity risk* - The trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.
- *Interest rate risk* - the trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.
- *Credit risk* arises from the possibility that amounts owed to the trust will not be repaid. The trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Principal risks and uncertainties

The main risks that the academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service. Competition from other schools with similar objects and little scope for differentiation. Also includes the capacity of existing buildings to deliver teaching and learning to students.
- *Finance risk* - The risk of the Academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation (especially for 6th form pupils) over the coming years. There are also in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the Academy is required to pay.

Reserves policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order 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.

PLANS FOR FUTURE PERIODS

The trustees' main plans for future periods are:

- To expand provision on Barton Court Grammar School current site with the completion of a new block by January 2018, comprising of 7 classrooms, 3 Science Laboratories, kitchen and servery, separate dining facilities, additional washrooms, to allow the school to expand to 5FE from 2017 onwards;
- The Directors propose to expand BCAT over the next 3 -5 years with the addition of either new provision, sponsorship or converter academies;
- To open a 11-18yrs non-selective Free School on the former Chaucer site in Canterbury, Kent; and
- For The Charles Dickens School to achieve at least a "Good" rating by Ofsted within 3 years.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps 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.

AUDITORS

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the board of trustee, as the company directors on 23 November 2017 and signed on the board's behalf by:



Dr. W. Speed,
Chair of Trustees



Ms. K. Cardus
Executive Head Teacher

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Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, Ms. Cardus, 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 Barton Court Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees (BCGS) 1 September 2016 – 28 February 2017	BCGS FGB <i>Meetings attended/Meetings held</i>
Dr W Speed	3/3
Mrs V Elgar	2/3
Mr D Smith	2/3
Mrs P Watts	2/2
Ms K Cardus	3/3
Miss F Adam	3/3
Mr M Blake	3/3
Ms V Evans	2/3
Mrs F Beaton (resigned 27 September 2016)	1/1
Mr C Palmer (resigned 27 March 2017)	3/3
Mr M Dixon	3/3

Directors/Trustees (BCAT) 1 March 2017 -24 July 2017	Directors	Finance & Premises	Quality Assurance	Personnel
	<i>Meetings attended/Meetings held</i>			
Dr W Speed	2/2	2/2	1/1	1/1
Mrs V Elgar	2/2	2/2	n/a	1/1
Mr D Smith	0/2	n/a	1/1	n/a
Mrs P Watts	1/2	2/2	n/a	1/1
Ms K Cardus	2/2	2/2	1/1	1/1
Miss F Adam	2/2	2/2	n/a	n/a
Mr M Blake	2/2	2/2	1/1	n/a

The establishment of Barton Court Grammar School Academy in August 2011 required the trustees to select, appoint and develop a skilled and balanced governing body. Mr R Newman has been elected Parent Governor to replace Mr C Palmer who resigned on 27 March 2017.

The resignations that took place on 27 September 2016, as noted on page 1, were all in anticipation of the forthcoming change to multi-academy trust state; these individuals have all stepped back from the Director/Trustee role to become local governors at Barton Court Grammar School.

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Governance Statement (continued)

Attendance at Local Governing Body Meetings was as follows:

Trustees/Governors 1 March 2017 – 31 August 2017	BCGS Local Governing Body <i>Meetings attended/Meetings held</i>
Dr W Speed	1/1
Mrs V Elgar	1/1
Miss F Adam	1/1
Ms K Cardus	1/1
Mr M Blake	1/1
Mr D Smith	1/1
Mrs P Watts	1/1
Mr M Dixon	1/1
Ms V Evans	0/1
Mr R Newman	0/0
Mr C Palmer (resigned 27 March 2017)	0

Trustees/Governors 1 March 2017 – 31 August 2017	CDS Local Governing Body <i>Meetings attended/Meetings held</i>
Ms K Cardus	2/2
Mr R Morgan	2/2
Mr S Salter	2/2
Mr C Matheson	2/2
Mr R Gregory	2/2
Mr P Norman	2/2
Mr S Beale	2/2
Ms T Moon	1/1

Governance Reviews:

Between September 2016 and December 2016, the Directors/Trustees had conducted a self-evaluation and restructured its committees in preparation of becoming a Multi-Academy Trust and sponsoring The Charles Dickens School. The new structure consist of a Trust Board and Trust Committees as well as Local Governing Bodies in each School with their own committees. These have been set up to monitor the Trust and each school's performance, and to hold it to account, in the main key areas linked to the Ofsted framework and each School Development Plan. Each committee works closely with members of the Senior Leadership Team responsible and accountable for the School's performance within each area.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial management of the Trust on behalf of the Board of Trustees. During the year the Finance Committee has reviewed the trust's financial policies, implementing new improved finance systems in both schools, and generally monitored budgets and reviewed the five -year plan. Barton Court Grammar School is the designated sponsor of The Charles Dickens School in Broadstairs, Kent and prior to the school's conversion to an Academy, Barton Court Grammar School has entered into a school-to-school support contract with KCC to provide external support for the School.

There is now a separate Audit Committee which is due to meet for its first meeting in November 2017.

Attendance at Finance Committee meetings in the year was as follows:

Director/Trustee	BCGS Finance Committee <i>Meetings Attended/ Meetings Held</i>	BCAT Finance Committee Meetings <i>Attended/ Meetings Held</i>
Ms. K. Cardus, Executive Head Teacher	2/2	2/2
Miss. F. Adam, Chair of Finance Committee	2/2	2/2
Mr. M. Blake	2/2	2/2
Mrs. V. Elgar	2/2	2/2
Dr. W. Speed	2/2	2/2
Mrs P Watts	n/a	2/2

Barton Court Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

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.

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

- Restructured the whole school staffing structure at The Charles Dickens School to make efficiency savings;
- Implemented a Trust Business Management Team, comprising of 3 people, to ensure best practice across the Trust in terms of Financial management, Premises Management, ICT Strategy, Personnel Management and Marketing;
- Review of the curriculum offer at both KS3 and KS4 (GCSEs) at The Charles Dickens School;
- Review of the Cleaning contract across the Trust to provide economies of scale;
- Review of the Catering contract across the Trust to provide economies of scale and better quality school food and best value; and
- Review of the reprographics/copying solutions across the Trust to provide economies of scale, quality provision and best value.

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 ongoing 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 Barton Court Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance 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; and
- 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 UHY Hacker Young, the external auditors, to perform additional checks.

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

On a quarterly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year ended 31 August 2017, the internal control function has been fully delivered in line with the requirements of the Education Skills & Funding Agency, and no significant issues have been reported to the trustees.

Barton Court Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Review of effectiveness

As Accounting Officer, the Executive Head Teacher, Ms. Cardus 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 23 November 2017 and signed on its behalf, by:



Dr. W. Speed,
Chair of Trustees



Ms. K. Cardus
Executive Head Teacher

Barton Court Academy Trust

(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Barton Court Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust 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 2016.

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.



Ms. K. Cardus
Accounting Officer

Date: 23 November 2017

Barton Court Academy Trust

(A company limited by guarantee)

Statement of Trustees' Responsibilities For the Year Ended 31 August 2017

The trustees (who act as governors of Barton Court Academy Trust and are also the directors of the academy trust for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 23 November 2017 and signed on its behalf by:

W. Speed.

Dr. W. Speed
Chair of Trustees

Barton Court Academy Trust

(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Barton Court Academy Trust

Opinion

We have audited the financial statements of Barton Court Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust'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 academy trust'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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Barton Court Academy Trust

(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Barton Court Academy Trust

Opinion 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 for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our 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.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law 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 (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 academy trust's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants and
Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

14 December 2017

Barton Court Academy Trust

(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Barton Court Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barton Court Academy Trust during the year 1 September 2016 to 31 August 2017 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 Barton Court Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barton Court Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barton Court Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barton Court Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Barton Court Academy Trust's funding agreement with the Secretary of State for Education dated 19 January 2017, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of the Barton Court Academy Trust for the year ended 31 August 2017 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

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

Barton Court Academy Trust

(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Barton Court Academy Trust and the Education and Skills Funding Agency (continued)

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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Chartered Accountants and
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 14 December 2017

Barton Court Academy Trust**(A company limited by guarantee)****Statement of Financial Activities Incorporating Income and Expenditure Account
For the Year Ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Assets inherited on conversion	2	716,772	(967,988)	18,156,862	17,905,646	-
Other donations and capital grants	2	37,420	-	3,990,111	4,027,531	616,984
Charitable activities:	3					
Funding for the academy trust's educational operations		155,403	7,388,636	-	7,544,039	4,373,354
Other trading activities	4	21,672	-	-	21,672	657
Investments	5	3,364	-	-	3,364	4,843
Total income		934,631	6,420,648	22,146,973	29,502,252	4,995,838
Expenditure on:						
Academy trust educational operations		45,978	7,401,780	373,164	7,820,922	4,550,314
Total expenditure	6	45,978	7,401,780	373,164	7,820,922	4,550,314
Net income / (expenditure) before transfers		888,653	(981,132)	21,773,809	21,681,330	445,524
Transfers between Funds	16	(46,946)	(228,625)	275,571	-	-
Net income / (expenditure) before other recognised gains and losses		841,707	(1,209,757)	22,049,380	21,681,330	445,524
Actuarial gains/(losses) on defined benefit pension schemes	22	-	455,000	-	455,000	(690,000)
Net movement in funds		841,707	(754,757)	22,049,380	22,136,330	(244,476)
Reconciliation of funds:						
Total funds brought forward		329,466	(881,250)	5,856,952	5,305,168	5,549,644
Total funds carried forward		1,171,173	(1,636,007)	27,906,332	27,441,498	5,305,168

The notes on pages 23 to 41 form part of these financial statements.

Barton Court Academy Trust**(A company limited by guarantee)****Registered number: 07711925**

Balance Sheet**As at 31 August 2017**

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	13		26,099,601		5,409,404
Current assets					
Debtors	14	732,803		190,162	
Cash at bank and in hand		3,407,124		1,378,444	
		<u>4,139,927</u>		<u>1,568,606</u>	
Creditors: amounts falling due within one year	15	(632,030)		(279,842)	
Net current assets			<u>3,507,897</u>		<u>1,288,764</u>
Total assets less current liabilities			<u>29,607,498</u>		<u>6,698,168</u>
Defined benefit pension scheme liability	22		(2,166,000)		(1,393,000)
Net assets including pension scheme liabilities			<u><u>27,441,498</u></u>		<u><u>5,305,168</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	529,993		511,750	
Restricted fixed asset funds	16	27,906,332		5,856,952	
		<u>28,436,325</u>		<u>6,368,702</u>	
Restricted income funds excluding pension liability				6,368,702	
Pension reserve		(2,166,000)		(1,393,000)	
			<u>26,270,325</u>		<u>4,975,702</u>
Unrestricted income funds	16		1,171,173		329,466
Total funds			<u><u>27,441,498</u></u>		<u><u>5,305,168</u></u>

The financial statements on pages 20 to 41 were approved by the trustees, and authorised for issue, on 23 November 2017 and are signed on their behalf, by:

W. Speed.

Dr. W. Speed, Chair of Trustees

The notes on pages 23 to 41 form part of these financial statements.

Barton Court Academy Trust**(A company limited by guarantee)**

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	173,920	105,293
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,364	4,843
Purchase of tangible fixed assets		(2,906,499)	(165,927)
Capital grants from DfE/ESFA		3,990,111	580,678
Cash impact of conversion to an academy		767,784	-
Net cash provided by investing activities		1,854,760	419,594
Change in cash and cash equivalents in the year		2,028,680	524,887
Cash and cash equivalents brought forward		1,378,444	853,557
Cash and cash equivalents carried forward		3,407,124	1,378,444

The notes on pages 23 to 41 form part of these financial statements.

Barton Court Academy Trust

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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.

Barton Court Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 the Department for Education 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 and include grants from the Department for Education.

1.3 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Barton Court Academy Trust

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

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.

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

1.5 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. The threshold of £1,000 may be achieved through an individual purchase or a group of purchases where the assets are purchased as part of one purchase order.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%
Fixtures, fittings and equipment	-	15-25%
Computer equipment	-	33.33%
Assets under construction	-	Not depreciated

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

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

Barton Court Academy Trust

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.8 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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

1. Accounting Policies (continued)**1.13 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fixed assets inherited on conversion	-	-	18,156,862	18,156,862	-
Transfer of other assets on conversion	716,772	51,012	-	767,784	-
Transfer of opening LGPS liability	-	(1,019,000)	-	(1,019,000)	-
Assets inherited on conversion	716,772	(967,988)	18,156,862	17,905,646	-
Other donations	37,420	-	-	37,420	36,306
Capital grants	-	-	3,990,111	3,990,111	580,678
Subtotal	37,420	-	3,990,111	4,027,531	616,984
	754,192	(967,988)	22,146,973	21,933,177	616,984
Analysis of 2016 total by fund	36,306	-	580,678	616,984	

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,515,079	6,515,079	3,862,475
Other DfE/ESFA grants	-	393,472	393,472	148,375
	<u>-</u>	<u>6,908,551</u>	<u>6,908,551</u>	<u>4,010,850</u>
Other government grants				
Local authority grants	-	237,534	237,534	51,520
	<u>-</u>	<u>237,534</u>	<u>237,534</u>	<u>51,520</u>
Other funding				
Other income from the academy trust's educational operations	155,403	242,551	397,954	310,984
	<u>155,403</u>	<u>242,551</u>	<u>397,954</u>	<u>310,984</u>
	<u>155,403</u>	<u>7,388,636</u>	<u>7,544,039</u>	<u>4,373,354</u>
<i>Analysis of 2016 total by fund</i>	<u>28,415</u>	<u>4,344,939</u>	<u>4,373,354</u>	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	21,672	-	21,672	657
	<u>21,672</u>	<u>-</u>	<u>21,672</u>	<u>657</u>
<i>Analysis of 2016 total by fund</i>	<u>657</u>	<u>-</u>	<u>657</u>	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	3,364	-	3,364	4,843
	<u>3,364</u>	<u>-</u>	<u>3,364</u>	<u>4,843</u>
<i>Analysis of 2016 total by fund</i>	<u>4,843</u>	<u>-</u>	<u>4,843</u>	

Barton Court Academy Trust

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Notes to the Financial Statements For the Year Ended 31 August 2017

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations					
Direct costs	4,821,515	270,205	806,458	5,898,178	3,539,360
Support costs	828,113	481,324	613,307	1,922,744	1,010,954
	<u>5,649,628</u>	<u>751,529</u>	<u>1,419,765</u>	<u>7,820,922</u>	<u>4,550,314</u>
<i>Total 2016</i>	<u>3,226,168</u>	<u>454,456</u>	<u>869,690</u>	<u>4,550,314</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations	5,898,178	1,922,744	7,820,922	4,550,314
<i>Analysis of 2016 total</i>	<u>3,539,360</u>	<u>1,010,954</u>	<u>4,550,314</u>	

Analysis of direct costs

	Academy's educational operations £	Total 2017 £	Total 2016 £
Books, apparatus and stationery	412,221	412,221	419,027
Examination fees	178,160	178,160	83,917
Staff development	28,211	28,211	17,706
Educational consultancy	103,565	103,565	36,127
Wages and salaries	3,882,917	3,882,917	2,265,235
National insurance	365,964	365,964	195,029
Pension cost	572,634	572,634	343,979
Depreciation	354,506	354,506	178,340
	<u>5,898,178</u>	<u>5,898,178</u>	<u>3,539,360</u>
<i>Analysis of 2016 total</i>	<u>3,539,360</u>	<u>3,539,360</u>	

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

7. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Academy's educational operations £	Total 2017 £	Total 2016 £
Staff costs	828,113	828,113	421,925
Depreciation	18,658	18,658	9,386
Recruitment and support	80,614	80,614	34,040
Maintenance of premises and equipment	105,724	105,724	67,420
Cleaning and refuse collection	122,303	122,303	86,122
Rent and rates	62,449	62,449	31,345
Heat and light	95,383	95,383	56,677
Insurance	33,249	33,249	25,166
Security	10,715	10,715	1,631
Transport	9,821	9,821	7,795
Technology costs	274,868	274,868	73,642
Bank interest and charges	5,180	5,180	4,027
Bought in professional services	66,879	66,879	64,918
Catering	34,083	34,083	3,953
Other support costs	174,705	174,705	122,907
	<u>1,922,744</u>	<u>1,922,744</u>	<u>1,010,954</u>
<i>Analysis of 2016 total</i>	<u>1,010,954</u>	<u>1,010,954</u>	

8. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	373,164	187,726
Auditors' remuneration - audit	9,250	7,250
Auditors' remuneration - other services	3,190	3,050
Operating lease rentals	<u>14,841</u>	<u>20,643</u>

9. Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

10. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,178,328	2,466,313
Social security costs	403,766	215,591
Operating costs of defined benefit pension schemes	872,676	462,326
	<hr/>	<hr/>
	5,454,770	3,144,230
Apprenticeship levy	5,659	-
Supply teacher costs	132,620	58,988
Staff restructuring costs	56,579	22,950
	<hr/>	<hr/>
	5,649,628	3,226,168
	<hr/>	<hr/>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	23,291	-
Severance payments	33,288	22,950
	<hr/>	<hr/>
	56,579	22,950
	<hr/>	<hr/>

Included in staff restructuring costs are non-statutory severance payments totalling £33,288 (2016: £22,950). Individually the payments were: £14,453, £10,835 and £8,000.

The average number of persons employed by the academy trust during the year, on a head count basis, was as follows:

	2017 No.	2016 No.
Teachers	80	47
Administration and support	57	20
Management	7	5
	<hr/>	<hr/>
	144	72
	<hr/>	<hr/>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	2	0
In the band £ 70,001 - £ 80,000	1	0
In the band £ 100,001 - £ 110,000	0	1
In the band £ 120,000 - £ 130,000	1	0

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £53,414 (2016: £17,480).

The key management personnel of the academy trust comprise the trustees and 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 £599,942 (2016: £391,184).

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

11. Trustees' remuneration and expenses

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

		2017 £	2016 £
Ms. K. Cardus (Head Teacher)	Remuneration	125,000-130,000	100,000-105,000
	Pension contributions paid	20,000-25,000	15,000-20,000
Mr. M. Blake	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2017, expenses totalling £575 (2016 - £660) were reimbursed to 3 trustees (2016 - 3).

12. 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 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.

13. Tangible fixed assets

	Freehold land & buildings £	Other furniture and equipment £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2016	5,756,276	114,641	406,798	113,435	6,391,150
Additions	-	10,955	307,664	2,587,880	2,906,499
Inherited on conversion	18,142,766	14,096	-	-	18,156,862
At 31 August 2017	23,899,042	139,692	714,462	2,701,315	27,454,511
Depreciation					
At 1 September 2016	557,207	86,761	337,778	-	981,746
Charge for the year	288,863	21,386	62,915	-	373,164
At 31 August 2017	846,070	108,147	400,693	-	1,354,910
Net book value					
At 31 August 2017	23,052,972	31,545	313,769	2,701,315	26,099,601
At 31 August 2016	5,199,069	27,880	69,020	113,435	5,409,404

Included in freehold land and buildings is land at a valuation of £1,136,591 (2016: £500,000), which is not depreciated.

Freehold land and buildings valued at £18,142,766 were inherited by the trust on 1 March 2017, on conversion of The Charles Dickens School to academy status.

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

14. Debtors

	2017	2016
	£	£
Trade debtors	65,865	56,214
VAT recoverable	541,270	89,915
Prepayments and accrued income	125,668	44,033
	<u>732,803</u>	<u>190,162</u>

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	267,497	49,272
Other taxation and social security	143,026	-
Other creditors	81,434	124,323
Accruals and deferred income	140,073	106,247
	<u>632,030</u>	<u>279,842</u>

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	61,087	54,206
Resources deferred during the year	37,425	61,087
Amounts released from previous years	(61,087)	(54,206)
Deferred income at 31 August 2017	<u>37,425</u>	<u>61,087</u>

Deferred income represents income received in advance for educational trips taking place in the 2017-18 academic year and NLE funding received in advance.

Barton Court Academy Trust

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Notes to the Financial Statements For the Year Ended 31 August 2017

16. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	329,466	934,631	(45,978)	(46,946)	-	1,171,173
Restricted funds						
General Annual Grant (GAG)	259,115	6,515,079	(6,351,383)	(187,754)	-	235,057
Other DfE/ESFA grants	74,212	393,472	(395,193)	(6,892)	-	65,599
Other government grants	74,253	237,534	(209,192)	(33,979)	-	68,616
Voluntary fund	104,170	293,563	(237,012)	-	-	160,721
Pension reserve	(1,393,000)	(1,019,000)	(209,000)	-	455,000	(2,166,000)
	(881,250)	6,420,648	(7,401,780)	(228,625)	455,000	(1,636,007)
Restricted fixed asset funds (note (v))						
Capital funds	447,548	22,146,973	(373,164)	(20,414,626)	-	1,806,731
Restricted fixed asset funds	5,409,404	-	-	20,690,197	-	26,099,601
	5,856,952	22,146,973	(373,164)	275,571	-	27,906,332
Total restricted funds	4,975,702	28,567,621	(7,774,944)	46,946	455,000	26,270,325
Total of funds	5,305,168	29,502,252	(7,820,922)	-	455,000	27,441,498

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	259,620	70,221	(375)	-	-	329,466
	259,620	70,221	(375)	-	-	329,466
Restricted funds						
General Annual Grant (GAG)	300,150	3,853,032	(3,861,270)	(32,797)	-	259,115
Other DfE/ESFA grants	36,695	158,119	(120,602)	-	-	74,212
Other government grants	44,551	50,844	(21,142)	-	-	74,253
Voluntary fund	117,425	282,944	(296,199)	-	-	104,170
Pension reserve	(640,000)	-	(63,000)	-	(690,000)	(1,393,000)
	(141,179)	4,344,939	(4,362,213)	(32,797)	(690,000)	(881,250)

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

16. Statement of funds (continued)**Restricted fixed asset funds (note (v))**

Capital funds	21,799	580,678	-	(154,929)	-	447,548
Restricted fixed asset funds	5,409,404	-	(187,726)	187,726	-	5,409,404
	<u>5,431,203</u>	<u>580,678</u>	<u>(187,726)</u>	<u>32,797</u>	<u>-</u>	<u>5,856,952</u>
Total restricted funds	<u>5,290,024</u>	<u>4,925,617</u>	<u>(4,549,939)</u>	<u>-</u>	<u>(690,000)</u>	<u>4,975,702</u>
Total of funds	<u>5,549,644</u>	<u>4,995,838</u>	<u>(4,550,314)</u>	<u>-</u>	<u>(690,000)</u>	<u>5,305,168</u>

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

- (i) General Annual Grant must be used for the normal running costs of the academy trust.
- (ii) The other DfE/ESFA grants fund is used to track non-GAG grant money received from the DfE/ESFA and connected bodies, including Pupil Premium.
- (iii) The other government grants fund is used to track grants provided by government departments other than the DfE/ESFA and includes grants received from the Local Authority.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfer to the restricted fixed asset fund of £275,571 comprises total capital expenditure of £46,946 from unrestricted funds, £187,754 from General Annual Grant, £6,892 from Other DfE/ESFA grants and £33,979 from other government grants during the year.

Transfers have been made between the two rows in the fixed asset fund to leave a closing balance on capital funds at the end of the year of £1,806,731; this is the unspent capital and relates to capital income from Kent County Council received in advance of building works.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Barton Court Grammar School	681,659	841,216
The Charles Dickens School	979,307	-
Held centrally	40,200	-
Total before fixed asset fund and pension reserve	<u>1,701,166</u>	<u>841,216</u>
Restricted fixed asset fund	27,906,332	5,856,952
Pension reserve	(2,166,000)	(1,393,000)
Total	<u>27,441,498</u>	<u>5,305,168</u>

Barton Court Academy Trust

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Notes to the Financial Statements For the Year Ended 31 August 2017

16. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Barton Court Grammar School	2,948,799	402,578	462,550	623,189	4,437,116	4,362,588
The Charles Dickens School	1,871,150	216,535	231,396	452,072	2,771,153	-
Central costs	1,566	209,000	-	28,923	239,489	-
	<u>4,821,515</u>	<u>828,113</u>	<u>693,946</u>	<u>1,104,184</u>	<u>7,447,758</u>	<u>4,362,588</u>

17. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	26,099,601	26,099,601
Current assets	1,171,173	1,162,023	1,806,731	4,139,927
Creditors due within one year	-	(632,030)	-	(632,030)
Provisions for liabilities and charges	-	(2,166,000)	-	(2,166,000)
	<u>1,171,173</u>	<u>(1,636,007)</u>	<u>27,906,332</u>	<u>27,441,498</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	5,409,404	5,409,404
Current assets	329,466	791,592	447,548	1,568,606
Creditors due within one year	-	(279,842)	-	(279,842)
Provisions for liabilities and charges	-	(1,393,000)	-	(1,393,000)
	<u>329,466</u>	<u>(881,250)</u>	<u>5,856,952</u>	<u>5,305,168</u>

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	21,681,330	445,524
Adjustment for:		
Depreciation charges	373,164	187,726
Dividends, interest and rents from investments	(3,364)	(4,843)
Increase in debtors	(472,372)	(95,162)
Increase in creditors	281,919	89,726
Capital grants from DfE and other capital income	(3,990,111)	(580,678)
Defined benefit pension scheme obligation inherited	1,019,000	-
Defined benefit pension scheme cost less contributions payable	169,000	38,000
Defined benefit pension scheme finance cost	39,000	24,000
Defined benefit pension scheme administration costs	1,000	1,000
Fixed assets inherited on conversion to an academy	(18,156,862)	-
Cash impact of conversion to an academy	(767,784)	-
Net cash provided by operating activities	173,920	105,293

19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	3,407,124	1,378,444
Total	3,407,124	1,378,444

20. Transfer on conversion to an academy

On 1 March 2017 The Charles Dickens School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Barton Court Academy Trust from Kent County Council for £Nil. consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings	-	-	18,142,766	18,142,766
- Other tangible fixed assets	-	-	14,096	14,096
Other assets	716,772	51,012	-	767,784
LGPS pension surplus/(deficit)	-	(1,019,000)	-	(1,019,000)
Net assets/(liabilities)	716,772	(967,988)	18,156,862	17,905,646

The above net assets include £767,784 that were transferred as cash.

Barton Court Academy Trust

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Notes to the Financial Statements For the Year Ended 31 August 2017

21. Capital commitments

At 31 August 2017 the academy trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	2,583,446	5,171,326

22. Pension commitments

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

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

Contributions amounting to £70,777 were payable to the schemes at 31 August 2017 (2016 - £52,694) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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; and
- 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 TPS in the period amounted to £507,676 (2016 - £307,326).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Barton Court Academy Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

22. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £204,000 (2016 - £120,000), of which employer's contributions totalled £156,000 (2016 - £92,000) and employees' contributions totalled £48,000 (2016 - £28,000). The agreed contribution rates for future years are 20% for employers and between 5.5 - 12.5% for employees.

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

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	23	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	4,382	2,296
Discount rate -0.1%	4,599	2,413
Mortality assumption - 1 year increase	4,635	2,415
Mortality assumption - 1 year decrease	4,348	2,295
CPI rate +0.1%	4,577	2,403
CPI rate -0.1%	4,403	2,307

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22. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	1,635,000	622,000
Gilts	16,000	9,000
Corporate bonds	224,000	112,000
Property	285,000	147,000
Cash and other liquid assets	74,000	25,000
Derivatives	-	-
Absolute return fund	89,000	46,000
Total market value of assets	<u>2,323,000</u>	<u>961,000</u>

The actual return on scheme assets was £248,000 (2016 - £124,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	<i>2016 £</i>
Current service cost	(325,000)	(130,000)
Interest income	34,000	35,000
Interest cost	(73,000)	(59,000)
Admin expenses	(1,000)	(1,000)
Total	<u>(365,000)</u>	<u>(155,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	2,354,000	1,450,000
Upon conversion	1,881,000	-
Current service cost	325,000	130,000
Interest cost	73,000	59,000
Employee contributions	48,000	28,000
Actuarial (gains)/losses	(173,000)	690,000
Benefits paid	(19,000)	(3,000)
Closing defined benefit obligation	<u>4,489,000</u>	<u>2,354,000</u>

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**Notes to the Financial Statements
For the Year Ended 31 August 2017**

22. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	961,000	810,000
Upon conversion	862,000	-
Interest income	34,000	35,000
Actuarial losses	282,000	-
Employer contributions	156,000	92,000
Employee contributions	48,000	28,000
Benefits paid	(19,000)	(3,000)
Administration expenses	(1,000)	(1,000)
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Closing fair value of scheme assets	2,323,000	961,000
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23. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	42,541	14,840
Between 1 and 5 years	170,164	8,000
After more than 5 years	184,000	186,000
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Total	396,705	208,840
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24. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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.

Mr J. Speed, the son of Dr W. Speed, a director, worked at the academy trust during the year and was paid a salary, under an employment contract for his role as a teacher at The Charles Dickens School. Dr W. Speed had no involvement in the appointment of Mr J. Speed and the directors are comfortable that Mr J. Speed's salary provides value for money and is not at a preferential rate.

25. Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

Barton Court Academy Trust

(A company limited by guarantee)

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

26. Members' liability

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

27. Agency Arrangements

The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year ended 31 August 2017, the trust received £13,180 and disbursed £13,220 from the fund. £11,778 of undistributed funds are included in other creditors as at 31 August 2017.