

Registered number: 08168237 (England and Wales)

THE BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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THE BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

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THE BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members of the Academy Trust

Howard Bakewell
Jon Ingleton
Karen Lock
Graham Love

Board of Trustees

Dave Ellis (Appointed 14 July 2016)
Suzanne Hall (Appointed 14 July 2016)
Karen Lock (Appointed 14 July 2016)
Gareth Nelves (Trust CEO and Accounting Officer)
Bob Payne (Appointed 5 October 2016)
Heidi Seary (Chair)
Rebekah Spencer (Resigned 31 January 2017)
James Tickle (Resigned 15 June 2017)
Stephen Cotton (Appointed 1 September 2017)

Senior Management Team

Gareth Nelves – CEO and Accounting Officer
Steve McDonald – Finance Manager (Resigned 31 August 2017)
David Sargent – Finance Manager (Appointed 1 September 2017)
Bill Griffiths – Director of Schools

Company Name

Bradgate Education Partnership

Principal and Registered Office

Ashby Road
Gaddesby
Leicester
Leicestershire
LE7 4WF

Company Registered Number

08168237 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

THE BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Bankers

Lloyds Bank Plc
7 Sherrard Street
Melton Mowbray
Leicestershire
LE13 1XR

Solicitors

Browne Jacobson LLP
Castle Meadow Road
Nottingham
NG2 1BJ

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and Auditors' Reports of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 16 serving a catchment area in Leicestershire. It has a pupil capacity of 2,992 and had a roll of 3,038 in the school census on 5 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Bradgate Education Partnership are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bradgate Education Partnership.

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £149.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, Members of the Trust appoint a minimum of 3 Trustees. There is no maximum number of Trustees and the Trust currently aims to operate with 7 Trustees.

Trustees are appointed for a period of four years. On completion of the four year term, retiring Trustees are eligible for re-election.

The Trustees have set up procedures which enable regular reviews of the mix of skills that should be available to the Board. The Trustees are then sought with these skills as replacements when existing Trustees stand down. Potential Trustees are asked to submit a 'pen picture' detailing their relevant skills and expertise to Members. It is anticipated that most new Trustees will be drawn from the local community or others who have shown an interest in the future well-being of the Trust, the Academies within the Trust and the students. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within the local area.

BRADGATE EDUCATION PARTNERSHIP

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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

Individual Trustees attend training courses, primarily through the Syston Thurmaston Education Partnership (STEP) or through other appropriate bodies, in order to ensure their knowledge and understanding is up to date. Briefings for the Board and the Senior Management Team are carried out based on areas of potential interest and/or concern.

Organisational Structure

Bradgate Education Partnership (BEP) is a Multi-Academy Trust with each Academy retaining its own identity and managing its own school budget. The BEP Board of Trustees meets termly and provides strategic direction to BEP and individual Academies.

The Trust has four Members who are the Trust custodians and they ensure operation within the scope of the Articles of Association.

There are 7 Trustees who hold the Chief Executive Officer (CEO) and the other members of executive team to account. The Trustees support the Local Governing Bodies and act as a conduit between the Trust and the Academies.

Each Academy within the Trust has a Local Governing Body (LGB) which is responsible for delegated items in accordance with the scheme of delegation.

Local Governing Bodies (LGBs) for each of the Academies adopt each of the Academies individual school improvement plans, approve the annual budget, monitor academic performance and take decisions on the operations using delegated powers, as set out in the BEP Scheme of Delegation.

The Trustees have responsibility for setting and monitoring the overall strategic direction of the charitable company, approving decisions reserved for Trustees and appointing key members of staff.

LGBs are responsible for the conduct of their respective Academies in accordance with the objectives of the Trust.

The Trustees determine the general policy of the Trust. The day-to-day running of the Trust is delegated to the CEO, supported by the Headteachers of the individual Academies. The CEO undertakes the key leadership role overseeing educational and strategic functions. The day-to-day running of the individual schools is the responsibility of Headteachers. Administration is undertaken within the policies and procedures approved by the Trustees. Only significant expense decisions, including for major capital projects, are referred to Trustees prior to approval.

The CEO oversees recruitment of all central staff and advises local governing bodies on the appointment of Headteachers. The CEO is an ex officio Trustee, Accounting Officer and attends all meetings. The CFO is invited to attend Trustee meetings as appropriate.

Trustees meet at least three times a year (each term). The Trust supports the effective running of the 11 Academies through the following Committees:

- Pay, Performance Management and Personnel;
- Performance and Standards; and
- Finance, Audit and Risk.

BRADGATE EDUCATION PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

At the first meeting in that year, Trustees elect a Chairman and Vice Chairman from among their numbers. A Trustee who is employed by the Trust shall not be eligible for election as a Chairman or Vice Chairman. In addition to the four Trustees meetings there are also additional Committee meetings which usually meet at least once a term, including Performance Management, Finance, Curriculum, Health and Safety and Planning. Furthermore, certain responsibilities are delegated to local governing bodies in accordance with the scheme of delegation. The clerk to the Trustees is responsible for preparing agendas and papers and sending out the minutes. The CFO is responsible for preparing the schools accounts.

Operational management is led by the CEO and the CFO. The Trust employs a Director of Primary Schools and a Lead Practitioner, who also supports effective Teaching School Alliance working.

All the Trustees give their time freely.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

With the exception of the CEO, members of the Board of Trustees are not entitled to receive and remuneration or compensation for loss of earnings as a result of their post as a Trustee of Bradgate Education Partnership.

In the Autumn of each year the Pay Review Panel, consisting of nominated Trustees, will receive information from an independent performance review assessor concerning the salary of the CEO. Recommendations are made for the movement up the CEO's salary range, the basis for which the CEO is currently paid, and will identify the recommended number of progression points proposed.

In addition, the arrangements for setting the pay and remuneration of the Academy's Key Management Personnel depends on the level of responsibility. Senior teaching staff in the Academy Trust are paid in accordance with school teachers pay and conditions 2016. The Trust follows the advice of its human resources advisor service. Trustees benchmark senior executive pay against Trusts of a similar size and structure to Bradgate Education Partnership. This along with HR advice is taken into consideration to support their decision making.

Employees and Disabled Persons

The Trust is committed to a fair and equal treatment of all individuals regardless of disablement. The Trust welcomes applications from people with disabilities to join the Trust community as staff and Board of Trustee Members.

The Trust is committed to treat all staff equally in employment matters according to the law and in line with the "protected characteristics" set out in the Equality Act 2010.

All career development, training and promotion opportunities within the Trust are open to all employees, regardless of disability or background.

The Trust openly consults with all employees on policies that affect them. This consultation takes place as face to face and written communication, including direct to employees and through recognised trade unions. During the year consultation regarding contractual terms and conditions of employment (including HR and Pay Policies) has been undertaken.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Related Parties and Other Connected Charities and Organisations.

Bradgate Education Partnership is a Multi Academy Trust with the objectives, among other things, for the advancement of education for the public benefit in the United Kingdom. STEP Teaching School Alliance is ran by the Trust, with several other strategic partners to ensure that we use local expertise for the purpose of supporting collaboration between the schools, to deliver school improvement and best practice.

The Trust currently operates 11 academies, made up of 10 primary academies and 1 secondary academy. STEP TSA supports 26 local academies and Local Authority maintained schools.

STEP TSA has a number of member schools, these schools acknowledge that collaboration and the partnership is embedded in the school system. The schools therefore work together and support each other through the deployment of system leaders across the alliance. All member schools in STEP TSA pay a membership fee to receive educational support services during the academic year.

The finances of STEP TSA are held within the Trust's accounts, within a separate structured fund. Details of the reserves for STEP TSA are as at 31st August 2017.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The Academy Trust's objectives ("the Objectives") are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular, but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools, which offer a broad and balanced curriculum ("the mainstream Academies"), educational institutions, which are principally concerned with providing full-time or part-time education for children of compulsory school age who, because of illness, exclusion from school or otherwise, may not for any period receive suitable education, unless alternative provision is made for them ("the alternative provision Academies"), 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies"), schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated, the provision of facilities for recreation or other leisure time occupation of individuals. This is for those who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship, or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

Mission Statement:

To create high quality educational opportunities for all children and young people across the Partnership, by developing a strong collaborative and co-operative model, through which we encourage autonomy, share best practice, enhance the professional aspirations of our staff, and ensure the safety and well-being of all pupils and staff.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Public Benefit

In addition to the principal educational activities detailed above, the Trust aims to promote itself for the benefit of individuals living in the Syston and Thurmaston area. For those who have the need because of their age, infirmity or disability, financial hardship, or social or economic circumstances. Also for the public at large, the provision of facilities for recreation or other leisure time, which is in the interests of society, with the objective of improving the condition of life for individuals.

Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

The Bradgate Education Partnership is a primary and secondary Multi-Academy Trust (MAT) based in Leicestershire. The MAT was incorporated on the 1 September 2016. The education model has been adopted for developing individuals and schools, to ensure each pupil has the chance to reach their full potential. The ethos behind the Trust is one based on autonomy and sustainable school improvement.

All schools within the Trust have equal access to the professional expertise and development opportunities through the Teaching School: STEP Teaching School Alliance. The teaching school has been operational for 3 years and not only supports all of the Trust schools, but also the wider area across the Local Authority.

The Trust is a unique and forward thinking Trust, which values school leaders to lead their own schools, with their own retained autonomy. The Trust is fortunate to have a highly skilled Trust Board members, who can support and challenge each other to ensure achievement of long term goals.

Mission Statement

To create high quality educational opportunities for all children and young people across the Partnership, by developing a strong collaborative and co-operative model, through encouraging educational autonomy, sharing best practice, enhancing the professional aspirations of staff, and ensuring the safety and well-being of all pupils and staff.

A learning community has been developed throughout the Trust and Teaching School Alliance (STEP TSA). Through collaborative working on school-to-school improvement, the aim is to improve the educational outcomes for all pupils by utilising:

- School appraisals and moderation of standards;
- Triad development;
- CPD for all staff;
- Regular professional network meetings; and
- Development of effective learning environments.

Key Performance Indicators

2016/2017 has been a highly successful first year of operation for the Trust. The following tables give a snapshot of the educational outcomes for pupil across all schools.

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

EYFS

Bradgate Education Partnership EYFS GLD Headlines		
	2016/17	2016/17
	GLD (%)	APS
National	70.7	34.5
Bradgate Education Partnership	65.6	34.4
Broomfield	70.3	35.9
Church Hill Infant	60.2	35.6
Eastfield	52.5	30.7
Gaddesby	76.9	38.1
Great Dalby	77.8	34.2
Newtown Linford	73.3	39.4
Pochin	65.0	34.0
Seagrave Village	73.3	34.1
Swallowdale	72.9	34.7
Merton	63.9	32.7

As a Trust our EYFS data shows that the Good Level of Development is slightly below the national average.

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Key Stage 1

Bradgate Education Partnership - KS1 Headlines									
	RWM		Reading		Writing		Maths		Phonics
	Exp or Above	Above	Exp or Above	Above	Exp or Above	Above	Exp or Above	Above	
National	63.7	10.9	75.5	25.2	68.2	15.6	75.1	20.5	81.2
Bradgate Educational Partnership	60.2	9.4	71.2	20.9	65.6	14.5	75.5	18.9	84.6
Broomfield	56.4	7.7	71.8	25.6	56.4	10.3	74.4	17.9	81.6
Church Hill	56.7	12.2	66.7	22.2	63.3	22.2	70.0	20.0	84.3
Eastfield	59.2	10.2	73.5	16.3	61.2	10.2	75.5	12.2	83.0
Gaddesby	64.0	12.0	76.0	36.0	68.0	16.0	80.0	24.0	88.5
Great Dalby	65.0	0.0	80.0	25.0	75.0	0.0	75.0	25.0	76.2
Newtown Linford	88.2	11.8	88.2	29.4	88.2	17.6	94.1	29.4	92.9
Pochin	54.5	9.1	68.2	22.7	63.6	18.2	81.8	18.2	75.0
Seagrave Village	61.5	7.7	69.2	23.1	61.5	15.4	84.6	23.1	100
Swallowdale	61.8	9.1	70.9	10.9	69.1	18.2	81.8	23.6	89.3
Merton	58.1	8.1	67.7	17.7	66.1	8.1	67.7	11.3	83.6

Overall, the Trust is above the national average for Mathematics but has further work to do to ensure Reading and Writing are brought in line with the national standard. Our efforts during 2017/18 will endeavour to narrow the gap between our performance and the national standard.

BRADGATE EDUCATION PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Key Stage 2

Bradgate Education Partnership - KS2 Headlines													
	Attainment Measure (RWM)		Progress Measure			Individual Subject Attainment Measures							
	Exp or Above (%)	Above (%)	Reading	Writing	Maths	Reading Exp & + (%)	Reading Above Exp (%)	Writing Exp & + (%)	Writing Above Exp (%)	Maths Exp & + (%)	Maths Above Exp (%)	GPS Exp & + (%)	GPS Above Exp (%)
National	61.0	8.7	0	0	0	71.4	24.6	76.2	17.7	74.8	22.7	76.9	30.9
Bradgate Education Partnership	63.0	12.2	-0.2	0.4	-0.5	71.3	24.8	80.9	19.1	75.7	22.6	76.1	31.7
Broomfield	68.0	12.0	0	-2.5	0.5	76.0	32.0	80.0	12.0	80.0	36.0	80.0	24.0
Eastfield	57.1	5.7	-0.8	1.3	0.0	62.9	11.4	77.1	14.3	80.0	11.4	80.0	22.9

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Gaddeby	54.5	27.3	-0.9	1.1	-0.8	63.9	45.5	72.7	36.4	63.6	45.5	63.6	63.6
Great Dalby	80.0	25.0	2.4	-1.8	0.4	90.0	50.0	80.0	30.0	90.0	30.0	90.0	50.0
Newtown Linford	54.5	18.2	1.5	0.4	-2.7	81.8	18.2	81.8	18.2	54.5	18.2	63.6	45.5
Pochin	66.7	20.0	-0.3	2.3	1.0	66.7	26.7	93.3	26.7	86.7	33.3	73.3	33.3
Seagrave Village	41.7	0	1.4	0.3	-3.9	66.7	16.7	75.0	0	41.7	0	66.7	16.7
Swallowdale	75.6	11.1	0.7	0.2	0.4	82.2	28.9	86.7	13.3	84.4	28.9	88.9	42.2
Merton	55.4	8.9	-1.8	1.4	-1.6	60.7	16.1	78.6	25.0	69.6	14.3	64.3	19.6

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Overall, Key Stage 2 performance data shows the Trust to be performing in line and above national standards for attainment. We have continued to make progress for Reading, Writing, Maths combined with both progress and attainment being above the national standards for 2017. Whilst the progress measure for Key Stage 2 Writing is slightly above the national standards, we need to develop the progress for Reading and Maths at Key Stage 2 which were both slightly below the national standard but not significant.

Key Stage 4

Bradgate Education Partnership - KS4 Headlines				
P8			-0.07	
A8			47.05	
	English	Maths	EBacc	Open Element
P8	0.29	-0.07	0.01	-0.40
A8	10.81	9.14	13.03	14.08

Overall, the results for The Roundhill Academy were positive and reflected their hard work during this first year of GCSEs. Considering the significant changes to the curriculum and the grading system used for GCSEs, we have been pleased with the performance of the Academy for 2016/17. Whilst we recognise that the aspiration is to obtain a Progress 8 (P8) measure of 0 or better, the Academy performed exceptionally well in English and the EBacc element.

Going Concern

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

FINANCIAL REVIEW

Most of the Trust's income in the year was obtained from the DfE and ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received for the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP Accounting by Charities, grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds. The Balance Sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

The Trust's educational funding amounted to £34,141,000 including funds from joining schools with educational expenditure amounting to £15,655,000.

The Trust's cashflow position is good with a cash balance of £3,214,000 at 31 August 2017. Balances are largely held within individual school accounts with surpluses being planned for use against building expansion projects (to be combine with CIF applications) and reserves as a contingency to cover unforeseen circumstances.

BRADGATE EDUCATION PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

It is expected that during 2017/18 a further two schools will join the Trust (1 primary, 1 secondary). The addition of these two schools is likely to yield additional income circa £4,000,000 pa. Current strategic assumptions are that potentially a further 2 schools will join each year for the next 4 years, resulting in a corresponding increase in overall income. Additionally 'top slice' contributions from individual Academies into the Trust is set to increase:

- 2017/18 – 3.75%
- 2018/19 – 5%

This increase in contributions to the trust will allow for recruitment in key leadership and school improvement positions from 2017/18 onwards and will thus allow the Trust to further grow. The difference to annual top slice income for Trust wide initiatives from the addition of the two planned schools is approximately £200,000 pa.

Central team is planned to expand to include the following functions:

- Full Time CFO
- Additional School Improvement Specialist
- Part Time Director of Secondary Schools
- Educational Psychologist
- Education Welfare Officer
- HR
- Finance and Finance Management Software

The net book value of fixed assets was £24,855,000. The assets were used for providing education and the associated support services to the students of the academies within the Trust.

At 31 August 2017, the pension fund liability stood at a deficit of £4,994,000.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management and limits of delegated authority for spending. Other policies reviewed and updated included Health and Safety, HR and Pay related policies.

Reserves Policy

The Trustees Policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust, and to fund future projects. The Trustees will ensure that the levels of Reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the DfE on the treatment of GAG income and other grants. The Trust will aim to only carry forward reserves that it considers are necessary for future year's expenditure with regard for:

- Forecasts of levels of income in future years;
- Forecasts for expenditure in future years;
- Analysis of any future development needs and opportunities that could not be met out of annual income; and
- Analysis and forecast of cashflow and fund management.

There is no absolute level of free reserves that the Trust maintains, however Schools are directed to target a minimum of one month running costs as a free reserves in order to insure against unforeseen circumstances.

BRADGATE EDUCATION PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

At 31 August 2017 the total funds comprised:

Unrestricted		£1,124,000
Restricted:	Fixed asset funds	£25,088,000
	Pension reserve	£(4,994,000)
	Other	£1,163,000
		<u>£22,381,000</u>

Investment Policy

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the objectives. To invest in the name of the Trust such part of the funds as they may see fit, and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objectives."

The investment policy objectives are:

- To achieve best financial return available, whilst ensuring that security of deposits takes precedence over revenue maximisation;
- Only invest fund surpluses to operational need, based on all financial commitments being met, without the Academy bank account becoming overdrawn; and
- By complying with this policy, all investment decisions should be exercised with care and skill, and consequently be in the best interests of the Academy, and commanding broad public support.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Trust grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement). Where significant financial risk remains, Trustees have ensured they have adequate insurance cover.

The Trust has undertaken a full review of the main areas of risks which it faces. This includes all health and safety, and child protection policies and procedures. In addition, a review of all financial risks is undertaken on a regular basis.

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. The process involves identifying the types of risk the Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A risk register is maintained and reviewed on a regular basis.

BRADGATE EDUCATION PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The principal risks and uncertainties facing the Trust are as follows:

- The Trust has considerable reliance on continued Government funding through the Education and Skills Funding Agency. While the current level of funding is expected to continue, there is no assurance that government policy or practice will remain the same, or that public funding will continue at the same level or on the same terms.
- As the Trust remains highly reliant on Government Funding, the Schools therefore remain highly reliant on pupil admissions. There exists a risk that one or more schools may not continue to attract sufficient pupil numbers to support current expenditure, and therefore income and expenditure applied to 5 year plans continues to be closely monitored.
- The success of the Trust is reliant on the quality of its staff, the Trustees monitor and review policies and procedures to ensure continued development and training of staff, as well as ensuring there is clear succession planning.

PLANS FOR FUTURE PERIODS

Having established itself as a Multi-Academy Trust, Bradgate Education Partnership plans to continue to ensure excellent education provision is provided at its current Academies, and plans to continue to share its expertise to develop training opportunities across the Trust. Furthermore, it is the Trust's intention to increase the size of the Trust by introducing two further schools during 2017/2018, and in doing so, increasing both income and educational reach in the local area.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian Trustee on behalf of others.

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 6 December 2017 and signed on the Board's behalf by:


.....
Heidi Seary
Chair of Trustees

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO) as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management, and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bradgate Education Partnership 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 four times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dave Ellis	4	4
Suzanne Hall	4	4
Karen Lock	4	4
Gareth Nelmes (Trust CEO and Accounting Officer)	4	4
Bob Payne (Appointed 5 October 2016)	3	3
Heidi Seary (Chair)	4	4
Rebekah Spencer (Resigned 31 January 2017)	0	2
James Tickle (Resigned 15 June 2017)	3	3

The Trustees have considered the quality of the data they receive and consider it to be adequate for the purposes of overseeing the work of the Academy. Their assessment has been made having regard to externally validated data, which is consistent with that received from within the Academy and data provided by the work of the internal and external auditors.

Governance reviews:

Care was taken during the creation of the Trust Board, to ensure that a relevant and wide range of experience was brought together to create the most effective body. While a formal review of Governance was not undertaken of the Trust Board during 2016/2017, it is planned for the first half of 2017/18. However, an internal process of continuous improvement has been undertaken.

The Trust and each LGB, working with Senior Leaders will review its effectiveness during each academic year. These reviews will also examine the effectiveness of individual Governors, to ensure that the Board of Trustees and each LGB possesses the necessary mix of skills to maximise their effectiveness.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To review each of the Academies indicative funding;
- To review the formulation of the Academies' strategic plans, through the consideration of financial priorities and proposals;
- To monitor and review expenditure; and
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Suzanne Hall	3	3
Dave Ellis	3	3
Gareth Nelmes	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO of Bradgate Education Partnership has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continued growth of the Bradgate Education Partnership Trust, which as at 1 September 2017 provided for 3,038 students in Reception to year 11; and
- Established collaborative approach to providing supporting services to 11 schools through centralised contracts (including Audit, HR, H&S and Premises Management).

BRADGATE EDUCATION PARTNERSHIP

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradgate Education Partnership for the year ended 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 on-going 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, 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, Audit and Risk Committee 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 to appoint Leicestershire County Council as internal auditor.

The Leicestershire County Council's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current year included:

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control account/ bank reconciliations; and
- Testing of internal finance processes.

On an annual basis, Leicestershire County Council reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

BRADGATE EDUCATION PARTNERSHIP

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The in-depth report did make a number of observations and recommendations concerning financial system management and financial policies. Policies have since been adopted Trust-wide to ensure that statutory systems are in place. Other recommendations are being implemented on an opportunity basis as central systems are being improved upon.

REVIEW OF EFFECTIVENESS


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

- The work of the internal auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process; and
- The work of the Senior Management 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, Audit and Risk Committee, and ensures continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on its behalf by:


Heidi Seary
Chair of Trustees


Gareth Nemes
Accounting Officer

BRADGATE EDUCATION PARTNERSHIP


(A Company Limited by Guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

As Accounting Officer of Bradgate Education Partnership 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.


.....
Gareth Nelmes
Accounting Officer

6 December 2017

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:


.....
Heidi Seary
Chair of Trustees

Date: 6 December 2017

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRADGATE EDUCATION PARTNERSHIP

QUALIFIED OPINION

We have audited the financial statements of Bradgate Education Partnership for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating the 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'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.

Except for the matter described in the basis of qualified opinion paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the Academy'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 QUALIFIED OPINION

Due to a lack of land and buildings valuations for the two new converter schools, Newtown Linford Primary School and Seagrave Village Primary School, the Multi-Academy Trust was unable to account for the value of rights to land and buildings in accordance with FRS102 and we have been unable to satisfy ourselves about the amount of the restricted fixed asset fund at the date of conversion, or at 31 August 2017. Other alternative audit procedures were not available to us.

As detailed in note 19 to the financial statements, at the date of approval of the financial statements, there were no indications of the valuations of the land and buildings of Newtown Linford Primary School and Seagrave Village Primary School inherited on conversion to the Multi Academy Trust or at 31 August 2017. Had these two valuations been available, the value would have been included as fixed asset on the balance sheet, and would have increased the restricted fixed asset fund. Any valuation inherited on conversion would have been included in the Statement of Financial Activities within Donations and capital grants – fixed assets transferred on conversion to a multi-Academy Trust.

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.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRADGATE EDUCATION PARTNERSHIP

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 Trustees' 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.

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 including the Strategic Report for which the financial statements are prepared is consistent with the financial statements; and
- 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

In respect solely of the failure to include the value of the land and buildings as a donation in the Statement of Financial Activities and as a tangible fixed asset in the Balance Sheet at 31 August 2017, adequate accounting records have not been kept.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRADGATE EDUCATION PARTNERSHIP

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, other than land and building valuations, 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 are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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 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.



Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 21/12/17

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRADGATE EDUCATION PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 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 Bradgate Education Partnership 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 Bradgate Education Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bradgate Education Partnership 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 Bradgate Education Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BRADGATE EDUCATION PARTNERSHIP'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Bradgate Education Partnership's funding agreement with the Secretary of State for Education dated 31 August 2016, 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's income and expenditure.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRADGATE
EDUCATION PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-Assessment (FMGS) return and making appropriate enquires of the Accounting Officer;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

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.



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 31/12/17

BRADGATE EDUCATION PARTNERSHIP

(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 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Transferred on conversion	2	104	(230)	-	(126)	-
Donations and capital grants	2	828	(4,612)	23,602	19,818	160
Charitable activities:	3					
Funding for Academy Trust's educational operations	3	-	13,967	13	13,980	602
Teaching school	3	-	96	-	96	208
Other trading activities	4	335	36	-	371	11
Investments	5	2	-	-	2	-
TOTAL INCOME		1,269	9,257	23,615	34,141	981
EXPENDITURE ON:						
Raising funds	6	233	-	-	233	1
Charitable activities:						
Academy Trust's educational operations	8	-	14,336	1,044	15,380	737
Teaching School	8	-	42	-	42	59
TOTAL EXPENDITURE	8	233	14,378	1,044	15,655	797
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		1,036	(5,121)	22,571	18,486	184
Transfers between funds	20	-	(192)	192	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,036	(5,313)	22,763	18,486	184
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,412	-	1,412	(46)
NET MOVEMENT IN FUNDS		1,036	(3,901)	22,763	19,898	138
RECONCILIATION OF FUNDS:						
Total funds brought forward		88	70	2,325	2,483	2,345
TOTAL FUNDS CARRIED FORWARD		1,124	(3,831)	25,088	22,381	2,483

The notes on pages 31 to 60 form part of these financial statements.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08168237

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
FIXED ASSETS					
Tangible assets	15		24,855		2,320
CURRENT ASSETS					
Debtors	16	693		9	
Cash at bank and in hand		3,214		443	
		<u>3,907</u>		<u>452</u>	
CREDITORS: amounts falling due within one year	17	<u>(1,380)</u>		<u>(156)</u>	
NET CURRENT ASSETS			<u>2,527</u>		<u>296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,382</u>		<u>2,616</u>
CREDITORS: amounts falling due after more than one year	18		<u>(7)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>27,375</u>		<u>2,616</u>
Defined benefit pension scheme liability	24		<u>(4,994)</u>		<u>(133)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>22,381</u></u>		<u><u>2,483</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	20	1,163		203	
Restricted fixed asset funds	20	<u>25,088</u>		<u>2,325</u>	
Restricted income funds excluding pension liability		<u>26,251</u>		<u>2,528</u>	
Pension reserve	20	<u>(4,994)</u>		<u>(133)</u>	
Total restricted income funds			<u>21,257</u>		<u>2,395</u>
Unrestricted income funds	20		<u>1,124</u>		<u>88</u>
TOTAL FUNDS			<u><u>22,381</u></u>		<u><u>2,483</u></u>

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 27 to 60 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:


.....
Heidi Seary
Chair of Trustees


.....
Gareth Nelves
Accounting Officer

The notes on pages 31 to 60 form part of these financial statements.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	1,014	125
Cash flows from investing activities:			
Interest received		2	-
Purchase of tangible fixed assets		(1,035)	(162)
Capital grants from DfE/ESFA and other capital income		1,515	158
CIF/Salix on conversion		88	-
Cash donated from single Academy/ transferred on conversion to an Academy Trust		1,187	-
Net cash provided by/(used in) investing activities		1,757	(4)
Change in cash and cash equivalents in the year		2,771	121
Cash and cash equivalents brought forward		443	322
Cash and cash equivalents carried forward		3,214	443

The notes on pages 31 to 60 form part of these financial statements.

BRADGATE EDUCATION PARTNERSHIP

(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.

Bradgate Education Partnership constitutes a public benefit entity as defined by FRS 102.

Bradgate Education Partnership is a company limited by guarantee incorporated in England and Wales. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy Trust's operations and principal activities are detailed in the Trustees' Report.

The Financial Statements are prepared in £ Sterling, the functional currency, rounded to the nearest £1,000.

1.2 Going concern

The Trustees assess whether the use of the going concern basis of preparation 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 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.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the funds, 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 on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 sheet 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 on the transfer of an existing Academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring Trust. An equal amount of income is recognised for the transfer of an existing Academy into the Trust within Income and donations and capital grants.

BRADGATE EDUCATION PARTNERSHIP

(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. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to reflect these assets in the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings	-	1% straight line per annum
Long leasehold building improvements	-	10% straight line per annum
Motor vehicles	-	10% straight line per annum
Fixtures and fittings	-	20% straight line per annum
Computer equipment	-	25% straight line per annum

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.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 Taxation

The Academy 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 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.

1.8 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 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.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 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 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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of the tangible fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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 24, 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.

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funder and include grants from the Education and Skills Funding Agency 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 Education and Skills Funding Agency/Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Local Authority surplus transferred on conversion	104	(230)	-	(126)	-
Transferred on conversion	104	(230)	-	(126)	-
Donated gifts from single Academy Trust	827	(5,178)	22,632	18,281	-
Capital Grants	-	545	970	1,515	2
PTA donations	-	9	-	9	-
Government grants	-	-	-	-	158
Other donations	1	12	-	13	-
Other donations and capital grants	828	(4,612)	23,602	19,818	160
Total donations and capital grants	932	(4,842)	23,602	19,692	160
Total 2016	-	-	160	160	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Funding for Academy Trust's Educational Operations	-	13,980	13,980	602
STEP Teaching School Income	-	96	96	208
	-	14,076	14,076	810
Total 2016	-	810	810	

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,928	11,928	472
Pupil Premium	-	569	569	-
Start up grants	-	50	50	-
Other ESFA/DfE grants	-	523	523	129
Capital grants	-	79	79	-
	-	13,149	13,149	601
Other government grants				
Local Authority other grants	-	398	398	-
	-	398	398	-
Other funding				
School trips and parental contributions	-	382	382	-
Insurance claims	-	5	5	-
Teacher insurance claims	-	46	46	-
Other grants	-	-	-	1
	-	433	433	1
	-	13,980	13,980	602
<i>Total 2016</i>	-	602	602	

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Hire of facilities	109	-	109	-
Catering income	120	-	120	-
Uniform income	8	-	8	-
Preschool income	69	-	69	-
Other trading income	29	36	65	11
	<u>335</u>	<u>36</u>	<u>371</u>	<u>11</u>
<i>Total 2016</i>	<u>11</u>	<u>-</u>	<u>11</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income	2	-	2	-
	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

6. COSTS OF GENERATING VOLUNTARY AND OTHER INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Premises costs	5	-	5	-
Catering costs	120	-	120	1
Uniform costs	9	-	9	-
Staff costs	99	-	99	-
	<u>233</u>	<u>-</u>	<u>233</u>	<u>1</u>
<i>Total 2016</i>	<u>1</u>	<u>-</u>	<u>1</u>	

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. ACADEMY TRUST EDUCATIONAL OPERATIONS

	Total funds 2017 £000	Total funds 2016 £000
DIRECT COSTS		
Teaching and educational support staff costs - salaries	7,117	338
Teaching and educational support staff costs - NI	641	21
Teaching and educational support staff costs - pensions	1,533	63
Depreciation	1,044	45
Educational supplies	215	19
Staff development	65	9
Other direct costs	18	10
Recruitment	36	1
Technology costs	53	1
	10,722	507
SUPPORT COSTS		
Support staff costs - salaries	1,332	90
Support staff costs - NI	79	5
Support staff costs - pensions	240	15
Depreciation	-	15
Pension finance cost (note 14)	122	3
Maintenance of premises and equipment	614	11
Cleaning	136	3
Rates	99	4
Insurance	152	8
Catering	424	18
Bank interest and charges	2	1
Legal and professional	162	1
Other support costs	979	23
Technology costs	50	2
Energy costs	160	7
Governance costs	107	24
	4,658	230
	15,380	737
TEACHING SCHOOL		
Teaching school running costs	42	59
	15,422	796

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on raising voluntary income	99	5	129	233	1
Activities:					
Direct costs	9,291	944	487	10,722	510
Support costs	1,774	488	2,396	4,658	227
Teaching school	-	-	42	42	59
	<u>11,164</u>	<u>1,437</u>	<u>3,054</u>	<u>15,655</u>	<u>797</u>
<i>Total 2016</i>	<u>532</u>	<u>94</u>	<u>171</u>	<u>797</u>	

In 2016, of the total expenditure on charitable educational activities of £797,000, £1,000 was from unrestricted funds, £736,000 from restricted funds and £60,000 from restricted fixed asset funds.

9. NET INCOMING RESOURCES/ (RESOURCES EXPENDED)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	1,044	60
Auditor's remuneration - audit	45	5
Auditor's remuneration - other services	9	2
Operating lease rentals	79	1
Loss on disposal of fixed asset	1	-
	<u>1,178</u>	<u>68</u>

BRADGATE EDUCATION PARTNERSHIP**(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 £000	2016 £000
Wages and salaries	8,333	428
Social security costs	723	26
Pension costs	1,780	75
	<u>10,836</u>	<u>529</u>
Apprenticeship levy	10	-
Supply teacher costs	173	-
Staff restructuring costs	23	-
Pension finance costs (note 14)	122	3
	<u>11,164</u>	<u>532</u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Severance payments	<u>23</u>	<u>-</u>

Included in staff restructuring costs are non-statutory severance payments totalling £23,000 (2016: £nil).

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

	2017 No.	2016 No.
Teaching	145	6
Administration and support	259	27
Management	40	1
	<u>444</u>	<u>34</u>

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	4	0
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	1	0

All of the above employees participated in the Teachers' Pension Scheme. The annualised pension contributions for these employees was £82,528 (2016 One employee - £11,960).

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS (continued)

The key management personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £352,288 (2016 - £158,255).

11. CENTRAL SERVICES

The Academy has provided the following central services to its Academies during the year:

- Audit
- HR
- Health & Safety
- Premises management

The Academy charges for these services on the following basis:

All Academy who are members of the Trust are charged 3.5% of GAG income per year.

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Broomfield Community Primary School	26	-
Church Hill Infant School	32	-
Eastfield Primary School	31	-
Gaddesby Primary School	17	-
Great Dalby School	18	-
The Merton Primary School	43	-
Newtown Linford Primary School	15	-
The Pochin School	20	-
The Roundhill Academy	50	-
Seagrave Village Primary School	15	-
Swallowdale Primary School	39	-
	<hr/>	<hr/>
Total	306	

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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
		£000	£000
G Nelmes, CEO and Staff Trustee	Remuneration	90-95	70-75
	Pension contributions paid	15-20	10-15
J Tickle, Staff Trustee (resigned 15 June 2017)	Remuneration	80-85	-
	Pension contributions paid	10-15	-
L Fox, Staff Trustee	Remuneration	-	40-45
	Pension contributions paid	-	5-10
S Hensman, Staff Trustee (resigned 14 October 2015)	Remuneration	-	0-5
	Pension contributions paid	-	0-5
L Simms, Staff Trustee	Remuneration	-	15-20
	Pension contributions paid	-	0-5

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £nil).

Other related party transactions involving the Trustees are set out in note 26.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost of the year ended 31 August 2017 was £149 (2016: £128).

14. PENSION FINANCE COST

	2017	2016
	£000	£000
Interest income on pension scheme assets	114	5
Interest on pension scheme liabilities	(236)	(8)
	(122)	(3)

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2016	2,386	-	32	37	2,455
Additions	943	-	25	67	1,035
Disposals	(1)	-	-	-	(1)
Donated gift from single Academy Trust	22,069	53	260	163	22,545
Transfer between classes	13	-	(13)	-	-
At 31 August 2017	<u>25,410</u>	<u>53</u>	<u>304</u>	<u>267</u>	<u>26,034</u>
Depreciation					
At 1 September 2016	107	-	8	20	135
Charge for the year	838	9	97	100	1,044
Transfer between classes	3	-	(3)	-	-
At 31 August 2017	<u>948</u>	<u>9</u>	<u>102</u>	<u>120</u>	<u>1,179</u>
Net book value					
At 31 August 2017	<u>24,462</u>	<u>44</u>	<u>202</u>	<u>147</u>	<u>24,855</u>
At 31 August 2016	<u>2,279</u>	<u>-</u>	<u>24</u>	<u>17</u>	<u>2,320</u>

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. TANGIBLE FIXED ASSETS (continued)

Included in long leasehold property is land valued at £3,675,233 (2016 - £215,000) on conversion in 2013 by the following:

Broomfield Primary School - Martin Catley MRICS, ESFA
Church Hill Infant School - Martin Catley MRICS, ESFA
Eastfield Primary School - Melanie Brown MRICS, ESFA
Gaddesby Primary School - Melanie Brown MRICS, ESFA
Great Dalby School - Andrea Hopkins MRICS, Leicestershire County Council
The Merton Primary School - Mel Jackson/Graham Tyerman MRICS, ESFA
The Pochin School - Andrea Hopkins MRICS, Leicestershire County Council
The Roundhill Academy - Andrea Hopkins MRICS, Leicestershire County Council
Swallowdale Primary School - Andrea Hopkins MRICS, Leicestershire County Council

The valuation was undertaken using the depreciated replacement cost method.

The freehold of land and buildings is owned by Leicestershire County Council. The Academies hold 125 year leases on a peppercorn rent from 2013.

The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

During the year, the Trust acquired the Long Leasehold property of Broomfield Community Primary School, Church Hill Infant School, Eastfield Primary School, Great Dalby School, The Merton Primary School, The Pochin School, The Roundhill Academy and Swallowdale Primary School, at a value of £18,378,810. These assets were donated from the Local Authority on 1 September 2016.

The leasehold property of Newtown Linford Primary School and Seagrave Village Primary School is not included in the above, see note 19.

16. DEBTORS

	2017	2016
	£000	£000
Trade debtors	26	2
Prepayments and accrued income	387	4
Tax recoverable	280	3
	<hr/>	<hr/>
	693	9
	<hr/>	<hr/>

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. CREDITORS: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	32	1
Other taxation and social security	184	8
Other creditors	249	10
Accruals and deferred income	915	137
	<u>1,380</u>	<u>156</u>

Included within other loans are loans of £1,000 (2016 - £nil) from Salix Finance. The loans are interest free and repayable over 8 years. These loans were pre-approved by the Secretary of State, and provided through the Academies Capital Maintenance Fund for boiler and heater system project.

	2017 £000	2016 £000
Deferred income		
Deferred income at 1 September 2016	108	15
Resources deferred during the year	338	108
Amounts released from previous years	(108)	(15)
	<u>338</u>	<u>108</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for universal infant free school meals, trip income, rates income and nursery grant income relating to the 2017/18 academic year.

18. CREDITORS: Amounts falling due after more than one year

	2017 £000	2016 £000
Other creditors	<u>7</u>	<u>-</u>

Included within other loans are loans of £7,000 (2016 - £nil) from Salix Finance. The loans are interest free and repayable over 8 years. These loans were pre-approved by the Secretary of State, and provided through the Academies Capital Maintenance Fund for boiler and heater system project.

BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

19. PROPERTY VALUATION

The Multi-Academy Trust was formed on 1 September 2016. Two of the schools, Newtown Linford Primary School and Seagrave Village Primary School, converted from Local Authority schools to join the Academy Trust on that date. The land and buildings were donated on a 125 year lease from Leicestershire County Council with a peppercorn rent from 1 September 2016.

Newtown Linford Primary School and Seagrave Village Primary School did not request property valuations to be completed in sufficient time to enable an independent valuer to prepare a valuation prior to the approval of the financial statements.

At the date of approval of the financial statements, there were no reliable valuations of the land and buildings inherited on conversion to the Multi-Academy Trust by Newtown Linford Primary School or Seagrave Village Primary School.

Had these valuations of the land and buildings been available, the value would have been included as a fixed asset on the balance sheet, and would have increased the restricted fixed asset funds. Any valuation inherited on conversion would have been included in the Statement of Financial Activities within the donations and capital grants – fixed assets transferred on conversion to a Multi-Academy Trust.

The Multi-Academy Trust has been unable to obtain the property valuations at conversion for Newtown Linford Primary School and Seagrave Village Primary School at the time of approval of the accounts. The land and buildings valuation will be brought into the accounts when an independent valuation is received and will be reflected as a prior year adjustment in the 31 August 2018 financial statements.

BRADGATE EDUCATION PARTNERSHIP

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. STATEMENT OF FUNDS

	Brought forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
Unrestricted funds	88	1,269	(233)	-	-	1,124
Restricted funds						
General Annual Grant (GAG)	67	12,243	(11,316)	(192)	-	802
Other DfE/ESFA grants	59	590	(599)	-	-	50
Pupil Premium	-	569	(569)	-	-	-
Start up grants	-	50	(50)	-	-	-
ESFA capital grants	-	545	(364)	-	-	181
Other government grants	-	397	(397)	-	-	-
Other income	-	470	(470)	-	-	-
Other grants	1	-	-	-	-	1
Transferred on conversion	-	19	(19)	-	-	-
Donated from single Academy	-	45	(45)	-	-	-
Other donations	1	20	(21)	-	-	-
STEP Teaching School income	75	96	(42)	-	-	129
Pension reserve	(133)	(5,787)	(486)	-	1,412	(4,994)
	70	9,257	(14,378)	(192)	1,412	(3,831)
Restricted fixed assets funds						
Net book value	2,320	23,387	(1,044)	192	-	24,855
Unspent grants	5	236	-	-	-	241
CIF loan	-	(8)	-	-	-	(8)
	2,325	23,615	(1,044)	192	-	25,088
Total restricted funds	2,395	32,872	(15,422)	-	1,412	21,257
Total of funds	2,483	34,141	(15,655)	-	1,412	22,381

BRADGATE EDUCATION PARTNERSHIP

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Brought forward £000</i>	<i>Income £000</i>	<i>Resources expended £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (losses) £000</i>	<i>Balance at 31 August 2016 £000</i>
Unrestricted funds						
General funds	78	11	(1)	-	-	88
	<u>78</u>	<u>11</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>88</u>
Restricted funds						
General Annual Grant (GAG)	58	472	(461)	(2)	-	67
Start up grant	-	126	(67)	-	-	59
Pupil premium	-	2	(2)	-	-	-
Other grants	-	1	-	-	-	1
Other donations	1	-	-	-	-	1
STEP Teaching School income	63	208	(196)	-	-	75
Pension reserve	(78)	-	(9)	-	(46)	(133)
	<u>44</u>	<u>809</u>	<u>(735)</u>	<u>(2)</u>	<u>(46)</u>	<u>70</u>
Restricted fixed assets funds						
Net book value	2,218	155	(60)	7	-	2,320
Unspent grants	5	5	-	(5)	-	5
	<u>2,223</u>	<u>160</u>	<u>(60)</u>	<u>2</u>	<u>-</u>	<u>2,325</u>
Total restricted funds	<u>2,267</u>	<u>969</u>	<u>(795)</u>	<u>-</u>	<u>(46)</u>	<u>2,395</u>
Total of funds	<u>2,345</u>	<u>980</u>	<u>(796)</u>	<u>-</u>	<u>(46)</u>	<u>2,483</u>

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

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Transfers of £192,000 from GAG funding to the restricted fixed assets fund represent contributions towards property improvements, fixtures, fittings and equipment and computer equipment.

BRADGATE EDUCATION PARTNERSHIP

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

20. STATEMENT OF FUNDS (continued)

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations.

Start up grant

Being the fund from the Education and Skills Funding Agency to cover development costs to prepare the Academy for opening.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset fund

The net book value of the fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The unspent CIF capital grant fund and DFC grant has been created to recognise unspent capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed assets fund.

The CIF loan balance represents the SALIX loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from restricted funds against the CIF loan fund.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. STATEMENT OF FUNDS (continued)**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Bradgate Education Partnership	170	59
Broomfield Community Primary Academy	157	-
Church Hill Infant School	264	-
Eastfield Primary School	279	-
Gaddesby Primary School	104	157
Great Dalby School	131	-
The Merton Primary School	409	-
Newtown Linford Primary School	66	-
The Pochin School	98	-
The Roundhill Academy	(43)	-
Seagrave Village Primary School	81	-
Swallowdale Primary School	503	-
STEP Teaching School Alliance	68	75
Total before fixed asset fund and pension reserve	2,287	291
Restricted fixed asset fund	25,088	2,325
Pension reserve	(4,994)	(133)
Total	22,381	2,483

The following Academies are carrying net deficits on their portion of the funds as follows:

Name of Academy	Amount of deficit £000
The Roundhill Academy	(43)

The deficit on the above Academy has arisen due during a time of accelerated growth in student numbers as it expanded its age range from 11-14 to 11-16. During this period of change, the school was underfunded based on actual numbers on roll. This position has now stabilised with the school setting in-year surplus budgets from 2016/17 onwards.

Moving forward, the introduction of NFFF will see the income of the school increase by c£100K in 2018/19 and c£250K in 2019/20, with no anticipated proportionate increase in expenditure.

The Trust continues to monitor the position on a monthly basis, working with the school to ensure a swift return to a surplus position.

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. 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 £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000	Total 2016 £000
Bradgate Education Partnership	150	39	-	162	351	-
Broomfield Community Primary Academy	604	117	7	210	938	-
Church Hill Infant School	687	155	16	287	1,145	-
Eastfield Primary School	826	169	37	286	1,318	-
Gaddesby Primary School	494	154	13	134	795	738
Great Dalby School	424	28	11	249	712	-
The Merton Primary School	998	175	18	492	1,683	-
Newtown Linford Primary School	272	65	14	182	533	-
The Pochin School	450	118	16	170	754	-
The Roundhill Academy	2,885	500	61	914	4,360	-
Seagrave Village Primary School	341	70	5	130	546	-
Swallowdale Primary School	946	209	17	386	1,558	-
STEP Teaching School Alliance	-	70	-	67	137	59
Elimination of transactions between Trust entities	(150)	(119)	-	(436)	(705)	-
	<u>8,927</u>	<u>1,750</u>	<u>215</u>	<u>3,233</u>	<u>14,125</u>	<u>797</u>

BRADGATE EDUCATION PARTNERSHIP

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	24,855	24,855
Current assets	1,124	2,542	241	3,907
Creditors due within one year	-	(1,379)	(1)	(1,380)
Creditors due in more than one year	-	-	(7)	(7)
Pension scheme liability	-	(4,994)	-	(4,994)
	<u>1,124</u>	<u>(3,831)</u>	<u>25,088</u>	<u>22,381</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	2,320	2,320
Current assets	176	271	5	452
Creditors due within one year	(88)	(68)	-	(156)
Pension scheme liability	-	(133)	-	(133)
	<u>88</u>	<u>70</u>	<u>2,325</u>	<u>2,483</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £000	2016 £000
Net income for the year (as per Statement of Financial Activities)	18,486	184
Adjustment for:		
Depreciation charges	1,044	60
Interest receivable	(2)	-
Fixed assets donated/transferred on conversion	(22,545)	-
Pension transferred from Single Academy/Local Authority on conversion	5,787	-
Cash transferred on donation/from Local Authority on conversion	(1,187)	-
(Increase)/Decrease in debtors	(684)	56
Increase/(Decrease) in creditors	1,231	(26)
Capital grants from DfE and other capital income	(1,515)	(158)
Defined benefit pension scheme cost less contributions payable	364	6
Defined benefit pension scheme finance cost	122	3
Fixed asset reserves CIF/SALIX transferred on conversion	(88)	-
Loss on disposal of fixed asset	1	-
Net cash provided by operating activities	<u>1,014</u>	<u>125</u>

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£000	£000
Cash in hand	3,214	443
Total	3,214	443

24. PENSION COMMITMENTS

The Academy'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 Leicestershire 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 £175,982 were payable to the schemes at 31 August 2017 (2016 - £9,248) and are included within creditors.

Teachers' Pension Scheme**Introduction**

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

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

24. PENSION COMMITMENTS (continued)

- employer contribution rates were set at 16.48% of pensionable pay, in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

The employer's pension costs paid to TPS in the period amounted to £917,523 (2016 - £44,547).

Scheme changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)**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 £607,000 (2016 - £37,000), of which employer's contributions totalled £479,000 (2016 - £29,000) and employees' contributions totalled £128,000 (2016 - £8,000). The agreed contribution rates for future years are 23.72% for employers and 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	2.50 %	2.10 %
Rate of increase in salaries	3.40 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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	22.1	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	24.2
Females	26.2	26.6

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	288	12
Discount rate -0.1%	(288)	(12)
Mortality assumption - 1 year increase	464	9
Mortality assumption - 1 year decrease	(464)	(9)
CPI rate +0.1%	226	7
CPI rate -0.1%	(226)	(7)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £000	<i>Fair value at 31 August 2016 £000</i>
Equities	4,418	122
Bonds	1,319	30
Property	527	15
Cash	330	2
	<u>6,594</u>	<u>169</u>
Total market value of assets	<u>6,594</u>	<u>169</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £000	<i>2016 £000</i>
Current service cost	(843)	(35)
Interest income	114	5
Interest cost	(236)	(8)
	<u>(965)</u>	<u>(38)</u>
Total	<u>(965)</u>	<u>(38)</u>
Actual return on scheme assets	<u>622</u>	<u>27</u>

The Academy expects to contribute £522,000 to its defined benefit pension scheme in 2018.

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

	2017 £000	<i>2016 £000</i>
Opening defined benefit obligation	302	184
Current service cost	843	35
Interest cost	236	8
Employee contributions	128	8
Actuarial (gains)/losses	(904)	68
Benefits paid	(114)	(1)
Liabilities assumed in a business combination	11,097	-
	<u>11,588</u>	<u>302</u>
Closing defined benefit obligation	<u>11,588</u>	<u>302</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

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

	2017	2016
	£000	£000
Opening fair value of scheme assets	169	106
Interest income	114	5
Actuarial gains	508	22
Employer contributions	479	29
Employee contributions	128	8
Benefits paid	(114)	(1)
Assets acquired in a business combination	5,310	-
	<hr/>	<hr/>
Closing fair value of scheme assets	6,594	169
	<hr/>	<hr/>

25. 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
	£000	£000
Amounts payable:		
Within 1 year	54	1
Between 1 and 5 years	143	1
	<hr/>	<hr/>
Total	197	2
	<hr/>	<hr/>

26. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

27. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body.

28. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

BRADGATE EDUCATION PARTNERSHIP**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

29. MEMBERS' LIABILITY

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

30. COMPARATIVES

During the current year the financial statements included 11 schools and the STEP Teaching School Alliance. This includes the following 11 Academies which joined the Trust during the year: Broomfield Community Primary School, Church Hill Infant School, Eastfield Primary Academy, Great Dalby School, The Merton Primary School, Newtown Linford Primary School, The Pochin School, The Roundhill Academy, Seagrave Village Primary School and Swallowdale Primary School. All 11 of these school joined the Trust on 1 September 2016. The previous year included 1 Academy, Gaddesby Primary School and the STEP Teaching School.

31. CONVERSION TO AN ACADEMY TRUST

On 1 September 2016 Seagrave Village Primary School and Newtown Linford Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradgate Education Partnership from Leicestershire County Local Authority for no consideration.

The transfer has been accounted for using the acquisition method. 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 in the Statement of Financial Activities incorporating Income and Expenditure Account as voluntary income.

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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Budget surplus on LA funds	104	19	-	123
LGPS pension deficit	-	(249)	-	(249)
Net assets/(liabilities)	104	(230)	-	(126)

Budget surplus on LA funds consists of unrestricted funds of £104,000 (Seagrave Village Primary School - £77,000 and Newtown Linford Primary School - £27,000) and restricted funds of £19,000 (Seagrave Village Primary School - £10,000 and Newtown Linford Primary School - £9,000).