

**BROMLEY EDUCATIONAL TRUST**

**Bromley Educational Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
for the Period Ended 31 August 2015**

**Company Registration Number: 9028122**

WEDNESDAY



\*A4MDKNX4\*

A34

16/12/2015

#52

COMPANIES HOUSE

Contents

Reference and Administrative Details .....	3
Trustees Report .....	4
Governance Statement.....	10
Statement on Regularity, Propriety and Compliance .....	15
Statement of Trustees Responsibilities.....	16
Independent Auditor's Report on the Financial Statements to the Members of Bromley Educational Trust .....	17
Independent Reporting Accountant's Assurance Report on Regularity to Bromley Educational Trust and the Education Funding Agency.....	19
Statement of Financial Activities .....	21
Balance Sheet as at 31 August 2015.....	22
Cash flow statement.....	23
Notes to the Financial Statements.....	24

## Reference and Administrative Details

### List of Members & Directors/Trustees, Bromley Educational Trust

Members:	Roger Dawe	Appointed 24/02/15 (ongoing)
	Caroline Jolliff	Appointed 06/05/14 (ongoing)
	Sam Parrett	Appointed 06/05/14 (ongoing)
	Frank Toop	Appointed 24/02/15 (ongoing)
	Bromley College	Appointed 24/02/15 (ongoing)
Trustees:	Angela Hands	Appointed 27/08/14 (ongoing)
	John Hunt	Appointed 06/05/14 (ongoing)
	Caroline Jolliff	Appointed 06/05/14 (ongoing)
	Pamela King	Appointed 18/09/14 (ongoing)
	Sam Parrett	Appointed 06/05/14 (ongoing)
	Peter Reeves	Appointed 24/02/15 (ongoing)
	Joanne Southby	Appointed 24/02/15 (ongoing)
	Mary Stiasny	Appointed 24/02/15 (ongoing)
	Alison Youd	Appointed 16/06/15 (ongoing)
	Kevin Saunders	Appointed 18/09/14 Resigned 24/02/15
	Mandy Piper-Killick	Appointed 08/12/14 Resigned: 24/02/15
Senior Staff:	Ruth Griffiths	Appointed 09/09/14 Resigned: 27/01/15
	Andrew Slade	Appointed 23/06/15 (ongoing)
Executive Head teacher:	Mary McKeeman	Appointed 01/09/14 Resigned: 10/07/15
Company Secretary	John Hunt	
Executive Team:	CEO - Sam Parrett	
	Chief Financial Officer - John Hunt	
	Executive Director of Finance - Shahnaj Monaf	
	Acting Executive Head - Teacher Neil Miller	
Company Name	Bromley Educational Trust	
Principal and Registered Office	Rookery Lane, Bromley, BR2 8HE	
Company Registration Number	9028122	
Independent Auditor	Buzzacott 130 Wood Street London EC2V 6DL	
Bankers	Barclays Bank Level 27, 1 Churchill Place London E14 5HP	
Solicitors	Eversheds LLP One Wood Street London EC2V 7WS	

## **Trustees Report**

The Board of Trustees present their report together with the financial statements and auditor's reports of the charitable company for the period from 6<sup>th</sup> May 2014 to 31 August 2015. The annual report serves the purposes of both a governors' report and a director's report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 21 to 40 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' as issued in March 2005 ('SORP 2005') and the Academies Accounts Direction issued by the EFA.

## **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 Bromley Educational Trust are also the directors of the charitable company for the purposes of company law.

The Trustees who served on the Trust during the year and up to the date of the signature of this report are listed below. Business is conducted through full board meetings and an audit committee. Minutes of meetings are maintained and a register of interests published on the Trust's website.

### **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 they cease to be a member, such amount as maybe required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

### **Trustees' Indemnities**

As disclosed in note 11 professional indemnity insurance is paid on behalf of the directors and officers of the Academy.

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

Potential new trustees are identified by the board, ensuring that the skills and experience of new trustees are complementary to those of existing board members. Bromley Educational Trust members appoint trustees.

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

The training and induction provided for new trustees will depend upon their existing experience. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new trustees are welcome to visit the Academy Trust and to meet with staff and students. All trustees are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Induction tends to be done informally and is tailored specifically to the individual trustees.

### **Organisational Structure**

The Executive Team control the Trust at an operational level implementing the policies laid down by the trustees and reporting back to them. As a group, the Executive Team are responsible for the authorisation of spending within agreed budgets.

### **Related Parties and other Connected Charities and Organisations**

The Trust has a connection with Bromley College of Further & Higher Education as sponsor of

the Academy within the Trust. The sponsor also provides back office services to the Trust.

### **Trustees Report (continued)**

#### **Objectives and Activities**

The aim of Bromley Educational Trust is to give children and young people from all backgrounds an outstanding education. In so doing, they will acquire the values, skills, knowledge and understanding to prepare them for life beyond the classroom and subsequently succeed.

To achieve this aim, we will establish outstanding academies in our local community and beyond. Our ethos will be based upon full inclusion, high expectations, outstanding teaching and learning and a relentless focus on the needs and potential of every child.

#### **Objects and Aims**

The main objectives of the Academy during the period ended 31 August 2015 are summarised below:

- To raise the standard of educational achievement of all pupils;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory requirements;
- To conduct the MAT's business in accordance with the highest standards of integrity, probity and openness; and
- To set in train initiatives to increase the number of pupils at Bromley Educational Trust.

The principal long term objectives of the MAT are laid out in the Funding Agreement in addition to the points summarised above.

The charitable company is governed by its articles of association. It has adopted a scheme of delegation, which sets out the respective functions of the Trust, its associated local advisory board and the Headteacher's. It has one academy, Bromley Trust Alternative Provision Academy, covering both primary and secondary phases, with provision for pupils who have been excluded from mainstream education or pupils who are at risk of being excluded from such education.

#### **Activities for achieving objectives**

The Academy served a pupil population of 169 during the year. The PAN for the Academy was 130 for the year.

#### **Equal Opportunities**

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The Trust monitors the diversity of its staff, and reviews its recruitment arrangements to support equality and diversity objectives.

The Trust considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned and, where disabled candidates disclose their disability to the Trust and meet the minimum selection criteria, an interview will be offered. Where an existing employee becomes disabled every effort is made to ensure that their employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

#### **Public Benefit**

In setting objectives and planning activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

## **Trustees Report (continued)**

### **STRATEGIC REPORT**

#### **Achievements and Performance**

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

There have been significant gains in attainment and progress at both Key Stage 2 and 4 for Bromley Trust Alternative Provision Academy in 2014/15.

At Key Stage 4 all key indicators increased but most notably 5A\*G to 51.61% from 11.11% the previous year. 87.10% of the cohort achieved at least 1A\*G. All key indicators are in line or better than National Average Data for Pupil Referral Unit's.

At Key Stage 2 the Average Point Scores for Writing, Reading and Numeracy all increased significantly by 2, 7.1 and 4.6 points respectively. In year progress data for all Key Stage 2 pupils also demonstrated a significant improvement in the number of pupils making expected progress or better in both Literacy and Numeracy.

These significant increases have been achieved despite the starting points of our pupils into Key Stage 2, 3 and 4 education which are significantly below the national level with the average pupil being approximately 2 years behind at their entry point.

Disadvantaged pupils at KS2, for whom the Pupil Premium provides funding, are demonstrating that the achievement gap between themselves and non-disadvantaged pupils is closing significantly with 80% of Pupil Premium pupils achieving expected progress or better in Literacy and 84% achieving expected progress or better in Numeracy which is in line with Non Pupil Premium pupils.

Pupil attendance for all Key Stages increased significantly last year when comparing to previous year as well as the National Average for PRUs. At Key Stage 2 attendance increased from 90% to 92.3% and at Key Stage 3 and 4 attendance increased from 66% to 89%. The number of pupils in all Key Stages whose attendance was below 90% improved from 94 in 2013/14 to 66 pupils in 2014/15, which represents a 30% improvement.

Bromley Trust Alternative Provision Academy is therefore demonstrating that it is providing an appropriate educational experience for its learners where they are able to achieve and therefore demonstrating value for money.

##### **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**

##### **Principal funding**

Much of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to the running of the Academy. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

**Trustees Report (continued)**

**STRATEGIC REPORT (CONTINUED)**

The Trust also receives top up funding grants from the Local Authority in respect of the alternative and special provision it provides. The grants received together with the associated expenditure are shown as restricted funds in the statement of financial activities.

**Financial report for the year**

The total income for the period was £10.9m. This includes a transfer of balances from the Local Authority in respect of the Bromley Pupil Referral service of £8m (see note 21) which transferred into the Trust on 1 September 2014. This includes the pension deficit at 31 May 2014 of £0.27m in relation to the Local Government Pension Scheme (see note 24). Excluding the inherited balances from the Local Authority, the School generated income of £2.9m including General Annual Grant of £1.1m (see note 5).

In accordance with correct disclosure requirements, the financial information which is presented in the consolidated statement of financial activities includes the historic surplus inherited from the Local Authority upon conversion. Such presentation can obscure an overview of the annual operating performance of the Academy. Accordingly such a view of the summarised operating performance the Academy (which is extracted from the consolidated statement of financial activities) is restated below to exclude the inherited surplus:

	<b>2015</b>
	<b>£000</b>
Incoming resources	2,878
Resources expended	2,842
FRS17 charges for the year	<u>4</u>
Operating surplus (excluding transfers upon conversion)	<b>32</b>

At 31 August 2015, the Trust had total funds of £7.8m. This was comprised of £7.6m of restricted funds and £0.16m of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non teaching staff, was in deficit by £0.4m at 31 August 2015 (2014: £0.27m).

The results for the period are shown on page 21.

At 31 August 2015 the net book value of fixed assets was £7.98m and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Academy.

The trustees consider that these operating surpluses are appropriate in light of the need to balance the immediate expenditure of the academies with their longer term commitments. The trustees consider that the operating surpluses are in line with their reserves policy.

**Financial and Risk Management Objectives and Policies**

The Trust's exposure to financial risks is moderate due to the fact that the financial instruments that it deals with are bank balances, cash and trade creditors, with limited trade and other debtors. The deficit in the Local Government Pension Scheme which is described in note 24 is subject to annual actuarial valuations and is regularly monitored by the trustees.

## **Trustees Report (continued)**

### **STRATEGIC REPORT (CONTINUED)**

#### **Financial report for the year (continued)**

##### **Reserves Policy**

The trustees have reviewed the financial statements of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the trustees and a formal reserves policy will be agreed by the trustee's in the following year as this is the first year of operations of the Academy Trust.

##### **Investment Policy**

The Trust does not hold any long term investments. From time to time any cash surpluses are placed upon over-night or fixed term deposit with the Trust's bankers.

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

The Trust has undertaken a significant amount of work during the year to develop and embed its systems of internal control, including financial, operational, and risk management in order to ensure the Trust is best placed to achieve its objectives.

The Executive Team team undertakes a comprehensive review of the risks to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions is monitored during the year.

Outlined below is a description of two principal operational risks and uncertainties relating to the Trust.

##### Funding per Pupil

The future level of funding for primary and secondary education is uncertain in the current economic climate. This is mainly outside the control of the trustees, but they engage with the Education Funding Agency and Local Authority regarding funding when such opportunities arise. The trustees also set prudent budgets to enable the academies to react to changes in funding levels, if necessary.

##### Pupil Places

The finances of the Alternative Provision Academy within the Trust are highly sensitive to the number of pupil places commissioned each year by Local Authorities. The trustees and Executive Team are confident that the improving pupil progression and outcomes will enhance reputation of the Academy and will enable the Trust to attract increased numbers of commissioned places. The Chief Executive Officer and Executive Team work hard with Local Authorities and their network of partner schools to promote the benefit of the Academy.

Projected pupil numbers and the associated financial implications are closely monitored by trustees and Academy staff.

##### **Plans for Future Periods**

The Trust will continue to strive and improve the levels of attainment of its students at all levels and will continue its efforts to ensure its students enter into sustained employment or a place in mainstream, secondary provision, or further education and training once they leave.



### **Trustees Report (continued)**

The trustees are committed to a policy of measured strategic expansion of the number of primary and secondary Alternative and Special academies which are sponsored by the Trust. Particular priority will be given to new academies in the geographic areas in which the Trust and its sponsor already operates.

### **Funds Held as Custodian Trustee on Behalf of Others**

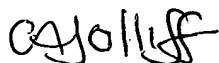
The Trust does not act as custodian trustee on behalf of any others.

### **Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 2 December 2015 and signed on the board's behalf by:



**Caroline Jolliff**  
Chair of Trustees

**Date:** 2 December 2015

## **Governance Statement**

### **Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Bromley Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Members**

Members of Bromley Educational Trust are responsible for ensuring the Trust achieves its objectives, as well as compliance with charity and company law and funding agreements. They ensure that they use their discretion regarding their use of the Academy's funds reasonably, taking into consideration guidance on accountability or propriety.

Members comprise:

- the original signatories to the company's memorandum of association
- additional members appointed and removed by special resolution of the existing membership

The present membership consists of Bromley College, Roger Dawe, Caroline Jolliff, Sam Parrett and Frank Toop.

The role of members includes:

- overseeing the achievement of the objectives of the Trust as set out in the articles of association and amending its articles of association when required
- taking part in annual and extraordinary general meetings
- appointing and removing members and trustees
- ensuring the financial stability of the Trust and approving its accounts
- ensuring compliance with general principles of charity law

### **Board of Trustees**

The Trust is responsible through its board of trustees and Accounting Officer (the Chief Executive Officer), for all financial transactions within delegated authority.

Trustees are appointed under the Trust's articles of association including being co-opted by directors.

The role of trustees includes:

- settling the strategic direction of the Trust and ensuring that the strategies of its academies are clearly defined, setting overall policy, defining goals and setting targets and evaluating performance
- exercising the Trust's powers
- expending Trust funds for its objects as set out in the articles of association

## Governance Statement (continued)

### Board of Trustees (continued)

- ensuring the sound, proper and effective use of the finances of the Trust, including responsibility for budget setting and auditing requirements in respect of academy accounts
- ensuring the Trust pursues its objects, is compliant with both company and charity law and has due regard for any other relevant legislation or regulations

### Audit Committee

The audit committee of the Trust provides assurances to the board of trustees that risks are being adequately identified and managed by: risk review, agreeing programmes of work to address risk and provide appropriate assurance. It informs the governance statement that accompanies the annual accounts and provides assurance to external auditors.

### Local Advisory Board

Members of the local advisory board are appointed by the Trust or elected by parents or staff. There was one local advisory board for the Trust's alternative provision Academy (Bromley Trust Alternative Provision Academy).

The role of local advisory board members includes:

- setting challenging pupil achievement targets
- sharing responsibility with the Trust and the Executive Head for pupils' education, curriculum and teaching standards
- asking challenging questions of school leaders
- ensuring policies have been implemented properly
- stakeholder engagement

For each trustee and local advisory board member, their attendance records at board and committee meetings over the last academic year can be found here.

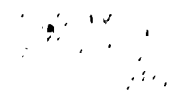
### Meetings

The board of trustees met 6 times during 2014/15. Attendance during the year at meetings of the board of trustees was as follows:

Trustee meetings attended out of a possible:

Angela Hands	6/6
John Hunt	6/6
Caroline Jolliff	6/6
Pamela King	6/6
Sam Parrett	6/6
Mandy Piper-Killick (resigned 24/02/15)	2/3
Peter Reeves (appointed 24/02/15)	3/3
Kevin Saunders (resigned 24/02/15)	3/3
Jo Southby (appointed 24/02/15)	1/2
Mary Stiasny (appointed 24/02/15)	1/3
Alison Youd (appointed 16/06/15)	1/2

The Audit Committee of the Trust met once during 2014/15. Attendance this meeting of the audit committee was as follows:



**Governance Statement (continued)**

**Meetings (continued)**

Angela Hands	1/1
John Hunt	1/1
Caroline Jolliff	1/1
Pamela King	1/1
Sam Parrett	1/1
Peter Reeves	1/1
Jo Southby	1/1
Mary Stiasny	0/1
Alison Youd	1/1

The Local Advisory Board met 5 times during 2014/15. Attendance at meetings of the local advisory board meetings was as follows:

Local Advisory Board meetings attended out of a possible:

Hannah Gray (appointed 03/03/15, resigned 01/04/15)	1/1
Barney Green (appointed 09/09/15, resigned 26/11/15)	1/2
Ruth Griffiths (appointed 09/09/14, resigned 27/01/15)	3/3
Liz Jones (appointed 27/10/14, resigned 10/11/14)	1/1
Pam King (appointed 21/10/14)	4/5
Paul King (appointed 09/09/14, resigned 20/05/15)	2/5
Mary McKeeman (appointed 09/09/14, resigned 10/07/15)	5/5
Ned McWhirter (appointed 03/03/15)	1/1
John Nunn (appointed 27/01/15)	0/2
Sam Parrett	5/5
Shirley Puxty	4/5
Michael Rutherford (appointed 09/09/14, resigned 10/09/14)	1/1
Hettie Vincent-Smith (appointed 03/03/15)	1/1
Angela Ward	5/5

The Trust is reviewing its governance arrangements for 2014/15 at its first meeting of the 2015/16 academic year in October 2015. The review will focus on the impact of governance on academic performance and identified areas for discussion including the scheme of delegation and, in particular, the role of the local advisory board.

During the year, the membership of the Trust was reviewed and developed through the appointment of two further members who are not employed by the sponsor organisation to ensure an appropriate degree of structural independence.

The Trust also in terms of in-year appointments of Trustees considered the skills and experience required to develop the Trust's overall effectiveness.

## **Governance Statement (continued)**

### **Review of Value for Money**

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

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

- Reducing reliance on supply staffing
- Improving back office services
- Tendering for a number of contracts in order to reduce costs and improve services
- Improving pupil progression and attainment from previous benchmarks

### **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 Bromley Educational Trust for the year ended 31 August 2015, and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2015, and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees.

### **The Risk and Control Framework**

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

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

## **Governance Statement (continued)**

### **The Risk and Control Framework (continued)**

The board of trustees has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young as internal auditor

The internal auditor'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 period included:

- testing of payroll systems and controls
- testing of procurement systems and controls
- testing of key financial controls
- governance

The auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

### **Review of Effectiveness**

As Accounting Officer Chief Executive Officer 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 senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 2 December 2015 and signed on its behalf by:



**Caroline Jolliff**  
Chair of Trustees



**Sam Parrett**  
Accounting Officer

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Bromley Educational Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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.

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.

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 EFA.



**Sam Parrett**  
Accounting Officer

**2 December 2015**

## Statement of Trustees Responsibilities

The trustees (who act as governors of Bromley Educational Trust 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 published by the Education 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 in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 EFA/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 on 2 December 2015 and signed on its behalf by:



**Caroline Jolliff**  
Chair of Trustees



## **Independent Auditor's Report on the Financial Statements to the Members of Bromley Educational Trust**

We have audited the financial statements of Bromley Educational Trust for the period ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, and applicable law.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

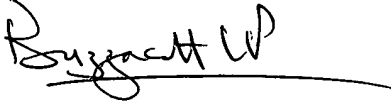
### **Matters on which we are required to report by exception**

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

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or

Bromley Educational Trust Annual Report and Financial Statements

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

11 December 2015

## **Independent Reporting Accountant's Assurance Report on Regularity to Bromley Educational Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 24 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bromley Educational Trust during the period 1 September 2014 to 31 August 2015 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 Bromley Educational Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bromley Educational Trust and EFA 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 Bromley Educational Trust and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Bromley Educational Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Bromley Educational Trust's funding agreement with the Secretary of State for Education dated August 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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.

**Independent Reporting Accountant's Assurance Report on Regularity to Bromley Educational Trust and the Education Funding Agency (continued)**

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

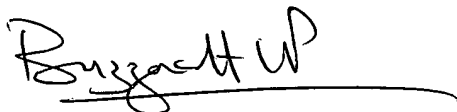
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 11 December 2015

**Statement of Financial Activities**  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	
Notes	£000	£000	£000	£000	
<b>Incoming resources</b>					
Incoming resources from generated funds					
Transferred upon on conversion	21	319	(270)	7,984	8,033
Incoming resources from charitable activities		176	-	-	176
Funding for the Academy Trust's educational operations	5	25	2,677	7	2,709
<b>Total incoming resources</b>		<b>519</b>	<b>2,407</b>	<b>7,991</b>	<b>10,917</b>
<b>Resources expended</b>					
<b>Charitable activities:</b>					
Academy Trust educational operations	7	200	2,611	147	2,958
Governance costs	8	-	30	-	30
<b>Total resources expended</b>	6	<b>200</b>	<b>2,641</b>	<b>147</b>	<b>2,988</b>
<b>Net incoming / (outgoing) resources before transfers</b>					
		319	(234)	7,844	7,929
Gross transfers between funds	16	(160)	-	160	-
<b>Net income/(expenditure) for the year</b>		<b>159</b>	<b>(234)</b>	<b>8,004</b>	<b>7,929</b>
Other recognised gains and losses					
Actuarial (losses) on defined benefit pension schemes	21,24	-	(134)	-	(134)
<b>Net movement in funds</b>		<b>159</b>	<b>(368)</b>	<b>8,004</b>	<b>7,795</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 6 May 2014	16	-	-	-	-
<b>Total funds carried forward at 31 August 2015</b>		<b>159</b>	<b>(368)</b>	<b>8,004</b>	<b>7,795</b>

All of the Academy Trust's activities derive from continuing operations during the above periods.

## Balance Sheet as at 31 August 2015

Company Number 9028122

	Notes	2015 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	12		7,984
<b>Current assets</b>			
Debtors	13	192	
Cash at bank and in hand		651	
		<u>844</u>	
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	629	
<b>Net current assets</b>			<u>215</u>
<b>Total assets less liabilities</b>			<b>8,199</b>
Pension scheme liability	24		<u>404</u>
<b>Net assets including pension liability</b>			<b>7,795</b>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>			
. Fixed asset fund	16	8,004	
. General fund	16	36	
. Pension reserve	16,24	(404)	
<b>Total restricted funds</b>			<b>7,636</b>
<b>Unrestricted income funds</b>	16		
. General fund		159	
<b>Total unrestricted funds</b>			<u>159</u>
<b>Total funds</b>			<u><b>7,795</b></u>

The financial statements on pages 21 to 40 were approved by the trustees and authorised for issue on 2 December 2015 and are signed on their behalf by:



**Caroline Jolliff**  
Chair of Trustees

## Cash flow statement

	Notes	2015 £000
<b>Net cash inflow from operating activities</b>	1	795
Return on investments and servicing of finance	2	(4)
Capital expenditure	3	(140)
<b>Increase in cash in the period</b>	4	<u>651</u>

### Reconciliation of net cash flow to movement in net funds

Net funds at 6 May 2015		-
<b>Net funds at 31 August 2015</b>		<u>651</u>

## Notes to the Financial Statements

### 1 Reconciliation of net income to net cash inflow from operating activities

	<b>2015</b>
	<b>£000</b>
Net income	7,929
Depreciation (note 12)	147
Inherited fixed assets	(7,984)
Capital grants from DfE/EFA	(7)
Interest receivable	-
FRS 17 pension cost less contributions payable (note 24)	(3)
FRS 17 pension finance income (note 24)	7
Inherited pension deficit on conversion	270
(Increase) in debtors	(192)
Increase in creditors	629
<b>Net cash inflow from Operating Activities</b>	<b><u>795</u></b>

### 2 Returns on investments and servicing of finance

	<b>2015</b>
	<b>£000</b>
FRS 17 pension cost less contributions payable (note 24)	3
FRS 17 pension finance income (note 24)	(7)
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b><u>(4)</u></b>

### 3 Capital expenditure and financial investment

	<b>2015</b>
	<b>£000</b>
Purchase of tangible fixed assets	(147)
Capital grants from DfE/EFA	7
<b>Net cash outflow from capital expenditure and financial investment</b>	<b><u>(140)</u></b>

### 4 Analysis of change in net funds

	<b>At 6 May 2014 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2015 £000</b>
Cash in hand and at bank	-	651	651
Total cash and cash equivalents	<u>-</u>	<u>651</u>	<u>651</u>



## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 1. Accounting policies

#### 1.1 Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### 1.3 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

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

##### Other Income

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

#### 1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### Charitable Activities

These are costs incurred on the Academy Trust's educational operations.

## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 1. Accounting policies (continued)

#### 1.4 Resources expended (continued)

##### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

- Long leasehold buildings 1.11% to 2.08%
- Fixtures, fittings and equipment 10%
- ICT equipment 20%
- Motor vehicles 20% to 25%
- Office Equipment's 33%

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

#### 1.6 Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

#### 1.7 Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 1. Accounting policies (continued)

#### 1.8 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.9 Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.10 Fund Accounting

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

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

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

## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 5 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	1,108	1,108
Capital grants	-	7	7
Other DfE/EFA grants	-	58	58
	<u>-</u>	<u>1,173</u>	<u>1,173</u>
<b>Other Government grants</b>			
Local authority grants	25	1,511	1,536
	<u>25</u>	<u>1,511</u>	<u>1,536</u>
	<u>25</u>	<u>2,684</u>	<u>2,709</u>

### 6 Resources expended

	Staff Costs £000	Non Pay Expenditure		Total 2015 £000
	£000	Premises £000	Other £000	£000
<b>Academy's educational operations:</b>				
Direct costs	1,275	145	299	1,719
Allocated support costs	717	153	370	1,239
	<u>1,992</u>	<u>297</u>	<u>669</u>	<u>2,958</u>
Governance costs including allocated support costs	-	-	30	30
	<u>1,992</u>	<u>297</u>	<u>699</u>	<u>2,988</u>
				<b>2015 £000</b>
Operating leases:				
- plant and machinery				14
- other leases				-
Fees payable to auditor for:				
- audit				11
- other services				1

**Notes to the Financial Statements for the period to 31 August 2015  
(continued)**

**7 Charitable activities**

**Total 2015**

**£000**

**Direct costs – educational operations**

Teaching and educational support staff costs	1,275
Depreciation	145
Technology costs	20
Educational supplies	36
Examination fees	12
Staff development	19
Educational consultancy	79
Other direct costs	133
	<u>1,719</u>

**Support costs – educational operations**

Support staff costs	717
Depreciation	2
Technology costs	45
Recruitment and support	20
Maintenance of premises and equipment	57
Cleaning	30
Rent and rates	9
Energy costs	54
Insurance	22
Security and transport	142
Catering	78
Bank interest and charges	1
Other support costs	63
<b>Total direct and support costs</b>	<u><b>2,958</b></u>

**8 Governance costs**

**Total**

**2015**

**£000**

Legal and professional fees	18
Auditor's remuneration	
Audit of financial statements	11
Other audit costs	1
	<u>30</u>

**Notes to the Financial Statements for the period to 31 August 2015  
(continued)**

**9 Staff**

**a. Staff costs**

Staff costs during the period were:

	<b>Total 2015 £000</b>
Wages and salaries	1,106
Social security costs	88
Operating costs of defined benefit pension schemes	176
	<hr/> 1,369
Supply staff costs	253
Staff restructuring costs	5
	<hr/> 1,627

**b. Staff numbers**

The average number of persons employed by the Academy during the period expressed as full time equivalents was as follows:

	<b>2015 No.</b>
<b>Charitable activities</b>	
Teachers	18
Administration and support	13
Management	1
	<hr/> 32

**c. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2015 No.</b>
£60,001 - £70,000	1
£80,001 - £90,000	1

The above employees participated in the Teachers' Pension Scheme.

**10 Related Party Transactions – Trustees' remuneration and expenses**

The Chief Executive Officer and other trustees do not receive any remuneration in respect of services they provide in undertaking the roles. The Chief Executive Officer and other trustees did not receive any payments other than reimbursement of expenses in respect of their roles.

During the period ended 31 August 2015, travel and subsistence expenses totaling £91.80 were reimbursed or paid directly to one trustee.

**Notes to the Financial Statements for the period to 31 August 2015 (continued)****11 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 £1m on any one claim and the cost for the period ended 31 August 2015 was £530.00. The cost of this insurance is included in the total insurance cost.

**12 Tangible fixed assets**

	<b>Leasehold Land and Buildings</b>	<b>Furniture and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>				
At 6 May 2014	-	-	-	-
Additions	140	7	-	147
Acquired upon conversion	7,964	-	20	7,984
At 31 August 2015	<u>8,103</u>	<u>7</u>	<u>20</u>	<u>8,131</u>
<b>Depreciation</b>				
At 6 May 2014				
Charged in year	140	2	5	147
Disposals	-	-	-	-
At 31 August 2015	<u>140</u>	<u>2</u>	<u>5</u>	<u>147</u>
<b>Net book values</b>				
At 31 August 2015	7,964	5	15	7,984
At 6 May 2014	-	-	-	-

**13 Debtors**

	<b>2015 £000</b>
Trade debtors	89
VAT recoverable	72
Other debtors	-
Prepayments and accrued income	<u>31</u>
	192

**Notes to the Financial Statements for the period to 31 August 2015 (continued)**

**14 Creditors: amounts falling due within one year**

	<b>2015</b>
	<b>£000</b>
Trade creditors	166
Taxation and social security	35
Other creditors	70
Accruals and deferred income	358
	<u>629</u>

**15 Deferred income**

	<b>2015</b>
	<b>£000</b>
Deferred income at 6 May 2014	-
Resources deferred in the year	57
Amounts released from previous years	-
Deferred income at 31 August 2015	<u>57</u>

At the balance sheet date the Academy Trust was holding funds received in advance for lettings booked for the autumn term 2015.



**Notes to the Financial Statements for the period to 31 August 2015 (continued)**

**16 Funds**

	Balance at 6 May 2014	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,108	(1,093)	-	15
Local Authority	-	1,511	(1,490)	-	21
Other DfE/EFA grants	-	58	(58)	-	(0)
Pension reserve	-	(270)	-	(134)	(404)
	-	<b>2,407</b>	<b>(2,641)</b>	<b>(134)</b>	<b>(368)</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	7,991	(147)	-	7,844
Capital expenditure from GAG	-	-	-	160	160
	-	<b>7,991</b>	<b>(147)</b>	<b>160</b>	<b>8,004</b>
<b>Total restricted funds</b>	-	<b>10,398</b>	<b>(2,788)</b>	<b>26</b>	<b>7,636</b>
<b>Unrestricted funds</b>					
Unrestricted funds	-	519	(200)	(160)	159
<b>Total unrestricted funds</b>	-	<b>519</b>	<b>(200)</b>	<b>(160)</b>	<b>159</b>
<b>Total funds</b>	-	<b>10,917</b>	<b>(2,988)</b>	<b>(134)</b>	<b>7,795</b>

## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 17 Funds (continued)

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

### 18 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	-		7,984	<b>7,984</b>
Current assets	89	741	13	<b>843</b>
Current liabilities	(3)	(626)	-	<b>(629)</b>
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(404)	-	<b>(404)</b>
<b>Total net assets</b>	<b>86</b>	<b>(289)</b>	<b>7,997</b>	<b>7,795</b>

### 19 Capital commitments

There are no capital commitments as at the 31 August 2015.

**Notes to the Financial Statements for the period to 31 August 2015 (continued)**

**20 Financial commitments**

**Operating leases**

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £000
Land and Buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<hr/>
	-
Other	
Expiring within one year	15
Expiring within two and five years inclusive	46
Expiring in over five years	-
	<hr/>
	61

**21 Conversion to Academy status**

On 1 September 2014 the Bromley Trust Alternative Provision Academy joined the Trust. The School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bromley Educational Trust from the Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their market value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities 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.

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Leasehold land and buildings	-	-	7,964	7,964
Other tangible fixed assets	-	-	20	20
Budget surplus on LA funds	319	-	-	319
LGPS pension surplus/(deficit)	-	(270)	-	(270)
Net assets/(liabilities)	<hr/> 319	<hr/> (270)	<hr/> 7,984	<hr/> 8,033

## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 22 Contingent liabilities

There are no contingent liabilities at the balance sheet date.

### 23 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

### 24 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Bromley. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

## Notes to the Financial Statements for the period to 31 August 2015 (continued)

### 24 Pension and similar obligations (continued)

#### Valuation of the Teachers' Pension Scheme (continued)

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £196,297.94.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £69,684, of which employer's contributions totaled £56,972 and employees' contributions totaled £12,712. The agreed contribution rates for future years are 24.3 per cent for employers and 5.8 to 8.5 per cent 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

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.80%	3.70%
Rate of increase for pensions in payment/inflation	2.30%	2.20%
Discount rate for scheme liabilities	4.00%	4.00%
Inflation assumption (CPI)	2.30%	2.20%
Commutation of pensions to lump sums	50.00%	25.00%

**Notes to the Financial Statements for the period to 31 August 2015  
(continued)**

**24 Pension and similar obligations (continued)**

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.1	23.1
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	25.4	25.4
Females	28.4	28.4

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015
	£000	£000
Equities	6.50%	344
Other Bonds	3.60%	76
Cash/Liquidity	0.50%	3
Other	6.50%	49
<b>Total market value of assets</b>		<b>472</b>
Present value of scheme liabilities		
- Funded		<u>(876)</u>
Surplus/(deficit) in the scheme		<u>(404)</u>

The actual return on scheme assets was £15,000

Amounts recognised in the statement of financial activities

	2015 £000
Current service cost (net of employee contributions)	(3)
Past service cost	-
Total operating charge	<u>(3)</u>

**Notes to the Financial Statements for the period to 31 August 2015  
(continued)**

**24 Pension and similar obligations (continued)**

**Analysis of pension finance income/(costs)**

	<b>2015</b>
	<b>£000</b>
Expected return on pension scheme assets	24
Interest on pension liabilities	(31)
<b>Pension finance income/(costs)</b>	<u>(7)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £27k loss.

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

	<b>2015</b>
	<b>£000</b>
<b>At 6 May</b>	-
Current service cost	54
Interest cost	31
Employee contributions	13
Actuarial (gain)/loss	18
Benefits paid	-
Past Service cost	-
Business combinations	760
<b>At 31 August</b>	<u>876</u>

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

	<b>2015</b>
	<b>£000</b>
<b>At 6 May</b>	-
Expected return on assets	24
Actuarial gain/(loss)	(9)
Employer contributions	57
Employee contributions	13
Business combinations	387
<b>At 31 August</b>	<u>472</u>

The estimated value of employer contributions for the year ended 31 August 2016 £55,000

**Notes to the Financial Statements for the period to 31 August 2015  
(continued)**

**24 Pension and similar obligations (continued)**

The five year history of experience adjustments is as follows:

	<b>2015</b>
	<b>£000</b>
Present value of defined benefit obligations	(876)
Fair value of share of scheme assets	472
Deficit in the scheme	(404)
Experience adjustments on share of scheme assets	
Amount £000*	(9)
Experience adjustments on scheme liabilities:	
Amount £000*	-

**25 Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The sponsor of the Academy Trust (Bromley College of Further and Higher Education) has provided a number of services which include management, School improvement, finance, IT, marketing, procurement and related contract management. Other than a charge for procurement services and the related contract management totalling £8,701, no other charges were made for the above services during the year ended 31 August 2015.

All of the above mentioned costs were incurred during the normal course of the Academy Trust's activities. At 31 August 2015 the net amount owed to Bromley College in respect of items purchased by the College on behalf of the Trust through its procurement service was £81,890. This amount is owed to the College by the Trust and is included within creditors.

**25 Post Balance Sheet Events**

On 10 November 2015, the board of Trustees resolved to admit Burwood School into the Trust. The School which provides education to boys with special education needs and health plans, will convert to Academy status on 1 February 2016 and its name will change to the Bromley Beacon Academy. The assets and liabilities of the School will transfer to the Trust on that date.