

**BRENTWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 8
Governance Statement	9 - 11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditors' Report on the Financial Statements	14 - 16
Independent Reporting Accountant's Assurance Report on Regularity	17 - 18
Statement of Financial Activities Incorporating Income and Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 39

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

Members	Ms A Pratten Mrs G Sproul Mr C R Plume
Trustees	Mrs K Wild-Smith Mr C R Plume, Chair of Trustees Mrs G Sproul (resigned 23 March 2017) Ms A Pratten Mr C Hearn Mr S London (resigned 6 December 2016) Mr M O'Sullivan Mr A McGarel
Company registered number	07638800
Company name	Brentwood Academies Trust
Registered and principal office	Hanging Hill Lane Hutton Brentwood Essex CM13 2HG
Company Secretary	Ms A Pessell
Executive Headteacher	Mr M O'Sullivan
Senior Management Team	Mr M O'Sullivan, Executive Headteacher (St Martin's School) Ms A Pessell, Head of Finance Mr K Camy, Deputy Headteacher Mrs K Corbett, Deputy Headteacher Mr D Goddard, Deputy Headteacher Mrs S Howells, Assistant Headteacher/Head of Sixth form Mr R Duff, Headteacher (Larchwood Primary School) Mr A James, Headteacher (Chase High School) Mr J Foster, Deputy Headteacher Mr I Lelliott, Assistant Headteacher Mr J Peacock, Assistant Headteacher Mrs J Readings, Deputy Headteacher (appointed 1 September 2016) (Chase High School) Mr A Hawes, Deputy Headteacher (Chase High School) Mr S Bowsher, Deputy Headteacher (Larchwood Primary School)
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

BRENTWOOD ACADEMIES TRUST
(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 Auditor's Report, of Brentwood Academies Trust (the Trust or 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 one primary and two secondary schools (the Academies or the Schools) in the South East area of Essex with a combined pupil capacity of 3,505 and a role of 3,093 pupils as recorded in the January 2017 census.

St Martin's School, Brentwood (St Martin's) initially converted to academy status on the 1 July 2011 and subsequently became the Brentwood Academies Trust on the 23 April 2014. The School was rated outstanding by Ofsted in May 2013

On the 1 July 2014 Larchwood Primary School (Larchwood), a sponsored Academy, became part of the Trust. The school was inspected by Ofsted in March 2017 achieving outstanding status.

On the 1 April 2015 Chase High School (Chase), a sponsored Academy, became part of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also Directors for the purposes of company law. The terms Trustee and Director are interchangeable in this Report.

The operation of the Academies and employment of staff are the responsibility of the Directors. The Trust retains control of Academy budgets and finances and monitors these through its Board of Directors. Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets. Members of the LGB are referred to as Governors in this Report.

Details of the Directors who served during the year are included in the Reference and Administrative Details section.

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.

Director and Officers' Indemnities

In accordance with normal commercial practice the Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of recruitment and appointment or election of Directors

In accordance with the Articles of Association, the number of Directors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Articles allow for the Trust to have the following Directors:

- any Directors (Article 50);
- any Staff Directors (Article 50A);
- any Chief Executive Officer and Executive Principal;
- Academy Director (s) (Article 51);
- Parent Directors (Articles 53-56D); and
- Co-opted Director (Article 58)

The total number of Directors including the Executive Headteacher who are employees of the Company shall not exceed one third of the total.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

Policies and Procedures adopted for the induction and training of Directors and Governors

The Trust has developed a formal Induction Policy for new Governors and Directors which consists of an 'in-house' induction as well as external induction training provided by Essex Governor Services. The latter programme also provides a range of training courses for both new and existing Directors and Governors.

Information regarding training opportunities is circulated to all Directors and Governors and attendance is encouraged. A detailed record of all training received by Governors and Directors is maintained and reviewed on a regular basis and a skills audit is undertaken annually.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Board of Directors, which meet on at least three occasions per year are responsible for strategic planning and the setting of general policy. They manage the Trust through business planning, the approval and monitoring of budgets, performance management and the setting of standards. The Board of Directors will also make major decisions about the direction of the Trust, capital expenditure and staff appointments. This Board contains the Accounting Officer, the Executive Headteacher of the Trust.

Whilst the Directors have overall responsibility and ultimate decision making authority for all work of the Trust, they choose to delegate the management of each School to an LGB who act as the 'Advisory Body' for their School. The Trust Scheme of Delegation details the role of the LGB which includes the setting of an annual budget plus five year budget plan, the provision of regular monitoring data to the Board of Directors, safeguarding of funds and other assets, the establishment of a five year estate management plan, compliance with Financial Regulations and Scheme of Delegation and the responsibility for ensuring the business of the School is conducted in accordance with the Trust's ethos and values.

The Senior Leadership Team (SLT) of each School report through their LGB and are responsible at an executive level for implementing policies and for the day to day operation of their School, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process.

The Accounting Officer of the Trust has overall responsibility for the day to day financial management of the Charitable Company. The Accounting Officer has delegated responsibility for agreed levels of expenditure to specific budget holders who are each responsible for managing their own Schools and departments within the constraints of their allocated budgets. The Trust has written Financial Regulations and Scheme of Delegation to implement and manage the necessary financial controls.

An external review of governance was undertaken on the 2nd and 3rd December 2015. It was found that: 'The LGBs demonstrate a good level and combination of skills and clear commitment to achieving educational outcomes for the students'.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the academy group size, Individual Salary Range (ISR), the pay scales for each role, the level of experience of each staff member and the ability to recruit and retain in post. In addition, the Brentwood Academies Trust, as part of the TUPE agreement for each school joining the Trust, will adhere to nationally agreed pay awards. All of which are in accordance with the Trust's appointment procedures, Pay Policy and Performance Management Policy, both policies being subject to annual review.

The Trust undertakes annual performance management for teaching staff in October and for support staff in March with all staff required to evidence achievement of performance target. Pay recommendations for leadership range teachers are made by the Headteacher and for the Headteacher by the Performance Management Review Panel, involving the Chair of the Board of Directors and in consultation with the School Improvement partner (SIP). The only Director receiving remuneration from the Trust is the Executive Headteacher.

All amendments to key management's pay and remuneration are approved by the LGB and ratified by the Board of Directors.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

Connected Organisation and Related Parties

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director or Governor 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. Any transaction where the Director may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The principal object and aim of the Charitable Company is the operation of a number of Schools to provide free education and care for pupils of different abilities within its local community between the ages of 4 – 19.

Objectives, Strategies and Activities

During the year the individual Schools have worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, teaching and learning, curriculum provision and assessment;
- raising the standard of educational achievement to ensure high levels of pupil achievement and standards for all pupils;
- improving the effectiveness of their School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the School's business in accordance with the highest standards of integrity;
- establishing high quality care, guidance and support of pupils, personal development and wellbeing and inclusiveness; and
- clear leadership and management.

The Trust aims to get the best for, and from, each child. It intends to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Public Benefit

The Directors believe that by working towards the objectives and aims of the Trust as detailed above, they 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 Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their School.

St Martin's School

St Martin's is the lead school within the Trust and continues to provide strong School-to-School support, with the Executive Headteacher clearly indicating areas of improvement through strategic documentation and the milestones plan. The St Martin's SLT provide collaboration and support in key areas of teaching and learning, pupil behaviour and performance management for staff.

A key part of St Martin's role is the induction of new staff, especially the development of newly qualified teachers (NQTs) to the highest standards. St Martin's partners with Essex NQT to accredit NQTs and plays a key role in the Initial Teacher Training. This has led to involvement in Schools Direct and School Centred Initial Teacher Training (SCITT) programmes and the School continues to provide PGCE placements for a small number of partner universities.

- For 2017, 89% of students achieved a grade 9-4 in English and Maths; this puts St Martin's as the second best comprehensive school in Essex. This is the first year for the new number grades and for students to be examined on the new more challenging English and Maths specifications.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

- The 28 disadvantaged students in this cohort (Pupil Premium) achieved 79% for 9-4 English and Maths; this is a 25% improvement from last year. The gap between NPP and PP students is now 10%. The gap between NPP and PP students in 2016 stood at 35.9%.
- Our overall Progress 8 score is -0.01, with Progress 8 scores of +0.36 in English and +0.31 in Mathematics.
- For 2017, the percentage of A*-B at A2 is 60%; this is an increase of 15% from the previous year. 99.4% of students achieved an A*-E grade; this is an increase of 1% from 2016. There was also an increase of 13% of those students achieving A*-A at A2 as this now stands at 30%; 87% of students achieved an A*-C at A2; this is an increase of 12% from 2016.
- The ALPS Quality and Breadth score is 2 and was 6 in 2016. The AS ALPS Quality and Breadth score is 2, this has been maintained from 2016.

Chase High School

The School has continued its work to help students to develop their achievements both academically and in terms of their personal development. Part of this work sees the encouragement of a wide range of extra-curricular activities and school trips, extra responsibility for pupils via the prefect scheme, and a view to help children progress to post-16 education either here or elsewhere.

- For 2017, 34.4% of students achieved 5 or more GCSEs grades A* to C (or grades 9-4 in English and Maths) including Maths and English, which presents a healthy increasing trend since 2014. 51% of pupils achieved a grade 4 or higher in English (maintaining last year's progress despite a harder examination and a weaker cohort), and 45% of pupils achieved a grade 4 or higher in Mathematics (53% for boys and 35% for girls, in line with the data for the same cohort on entry). Accuracy of prediction is now excellent in almost every subject and we now have full confidence in the data that staff are submitting for pupils. Results were above the national average in PE, RE and resistant materials and there are clear indicators that the 2018 cohort is even stronger. The P8 remains a challenge that has to be addressed and we have changed our options selection process as one strategy to move this forward.
- Summer 2017 also saw very pleasing results for our Post-16 students. The number of students who sat A-level has increased once again and the average grade was C-. We maintained the high number of vocational students from last year and the average grade achieved was Distinction-. Notably 25 of our 81 year 13 students secured places at universities as a result of studying at Chase, and we are confident that we will see this number grow.

Larchwood Primary School

Larchwood is a community centred School, working closely with the onsite Children's Centre operated by Barnardo's. Larchwood has extensive community links including St. George's Church and the Brentwood Centre. Pupils benefit from links with the Chicken and Frog local bookshop which organises regular visits from famous children's authors. Pupils have supported a range of charities including Grenfell and Macmillan.

The School has continued its rapid improvement in attainment, pupil progress and behaviour whilst still offering an array of opportunities and experiences for all their children including a wide range of extra-curricular clubs and wrap around provision (7:30am-6:00pm daily).

- 77% of children achieved a Good Level of Development (EYFS) - National average was 71%.
- 96% of children passed their Year 1 phonics check - National average was 81%.
- Key Stage 1 results were above the national average in all areas.
- Key Stage 2 results were significantly above the national average in all areas.

Children leaving Year 6 are prepared for secondary school and life beyond Larchwood. Significant improvements across all Key Stages have been continued and reflect the hard work and determination of all staff across the School.

Key Performance Indicators

The Trustees receive termly information to enable them to monitor the performance of the constituent Schools compared to aims, strategies and financial budgets.

Financial Performance Indicators:

- As funding is based on pupil numbers this is a key performance indicator with funding per pupil calculated for GAG funding, sixth form funding, total funding and total income.
- Revenue expenditure per pupil is calculated for teaching costs, support staff costs and total costs.
- Staffing costs, a substantial element of total costs, are calculated as a percentage of GAG funding, total funding and total expenditure.
- LGBs and the Board of Directors monitor cash flow on a regular basis.
- Surplus as a percentage of Funding/Income.

BRENTWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Other Performance Indicators:

- Examination results and National Curriculum Tests (SATS).
- Ofsted Inspection outcomes.
- Pupil attendance data.
- Pupil recruitment data.

Going Concern

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

FINANCIAL REVIEW

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it receives from the Education and Skills Funding Agency (ESFA). For the period ended 31 August 2017 the Trust received £19,108,062 (2016 - £20,182,908) in GAG and other funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £19,578,157 and transferred £1,167,272 to support capital new build and improvement projects

The Trust brought forward from 15/16, £607,237 restricted funds and £1,265,285 unrestricted funding. The carry forward for 16/17 is £680,161 restricted funding and £1,418,472 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £6,735,000 (2016 - £6,493,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of the School.

Reserves Policy

The Directors are aware of the requirement to balance current and future needs. They always aim to ensure that each School within the Trust sets a balanced budget with annual income balancing annual expenditure. The Directors monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,418,472 (2016 - 1,265,285). This has been built up from a mixture of locally raised income and balances transferred from predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £2,098,633 (2016 - £1,872,522).

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £3,021,381, (2016 - £3,053,922), a significant proportion of this is held against specific projects and is not available to meet normal recurring expenditure. The Directors regularly monitor cash flow at half termly Board meetings and the Trust holds a cash contingency equivalent to one month's gross salary expenditure, this totals approximately £917,000 for the Trust and member Schools. Further reserves will be maintained due to the anticipated reduction in funding in future years.

Investment policy

The Directors have a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

Principal risks and uncertainty

The Trust maintains a risk register identifying the major risks to which it is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored directly by the Board of Trustees. The principal risks facing the Trust at a contextual level are outlined below; those facing the Schools at an operational level are addressed by its systems and by internal financial and other controls. For further details, see the statement of internal control below.

The Directors report that the financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a Trust, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Directors assess the principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational – the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student success and achievement are closely monitored and reviewed;
- Safeguarding and child protection – the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline;
- Staffing – the success of the Trust is reliant on the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds – The Trust has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to develop its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

The Trust will continue striving to improve the levels of performance of its students and pupils at all levels and will attempt to maintain its recent progress in ensuring the number of students and pupils on roll properly reflects the demand for places. For September 2017 St Martin's increased student numbers by 60 across years 7 – 11 and reduced the sixth form numbers accordingly. The Directors will continue to enhance and expand facilities in pursuance of the Trust's commitment to ensure that all students and pupils achieve their potential. It is recognised that pupils with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

St Martin's is committed to maintaining the high standards achieved for years 7 – 11 and the further improvement of the sixth form results. Overall the buildings are in a good state of repair, with a successful CIF bid in 2016/17 enabling the replacement of the south block roof. In 2017/18 St Martin's will submit a CIF bid to replace the end of life RE portacabin with a permanent classroom block. In addition, within the next four years the School will face major expenditure resurfacing the MUGA pitch.

For Chase, prudent budget setting and good financial management has greatly improved the School's future financial standing and cash flow, primarily through realistic changes to staffing levels after the conversion to academy status. Chase is committed to building on progress to date with a keen focus on the Progress 8 scores and sixth form outcomes. More broadly, it is anticipated that as teaching and learning continues to improve during 2017/18 so will the educational achievement for all students. The 2016/17 CIF bid enabled completion of the window replacement, but capital bids will be needed in 2017/18 for the boiler upgrade and associated works.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

Larchwood increased from one to two form entry in September 2015 and will reach full capacity, 420 pupils, in 2021/22. To accommodate the additional pupils the phased works programme, concluded Autumn 2016, involved the refurbishment of two reception classrooms, the building of four new classrooms and extension works to the main hall, school entrance and staffroom. The 2016/17 CIF bids enabled refurbishment of the boiler house and upgrade to the fire alarm system. CIF bids in 2017/18 will be submitted for pipework and the roof. With the extended accommodation and improved resources Larchwood extends a warm welcome to future pupils as it continues to expand.

Provision of Information to Auditors

Each of the persons who are Directors at the time when this Trustees' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish the Charitable Company's Auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by the Board of Directors on 7 December 2017 and signed on its behalf by:

Mr C R Plume
Chair of Trustees

BRENTWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that the 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 Directors has delegated the day-to-day responsibility to the Executive Headteacher, 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors 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 Directors has formally met 6 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K Wild-Smith	6	6
Mr C R Plume, Chair of Trustees	6	6
Mrs G Sproul	1	3
Ms A Pratten	6	6
Mr C Hearn	3	6
Mr S London	0	2
Mr M O'Sullivan	6	6
Mr A McGarel	5	6

Simon London and Gaynor Sproul resigned during the year.

3 new Directors have been through the interview process and are to be formally approved by the members at the AGM on 7th December before being set up as Directors on Companies House.

Clare Collins NGA Lead Consultant led a training day on 17/6/17, agenda covered:

- Strategy.
- Understanding the roles of governors/LGBs in a MAT context.
- Effective challenge.

The impact has been that governors are more aware of the distinction between operational and strategic matters. They are clearer of their role. Consequently, the quality of questioning in Board of Directors meetings is sharper and the Schools are held better to task.

The Trust intends to conduct a self-evaluation during the 2018 Summer term.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for 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 Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Services and contracts, both internal and external, are regularly appraised and renegotiated to ensure the best mix of quality and effectiveness for cost. Following a cost/benefit review the Board of Directors agreed to outsource the catering and cleaning services across the Trust with a single contractor for each. Outsourcing of these major support services will enable the Schools to focus on their core competencies, free up time for key personnel who were overseeing the services and allow the Schools to benefit from the expertise and cost efficiencies offered by contractors.
- Maximising income by proactively seeking funding through grant applications for the benefit of our Schools has resulted in successful CIF bids comprising £365k for the roof at St Martin's, £262k for windows at Chase, and £306k for boiler replacement and £39k for the fire alarm at Larchwood. Whilst St Martin's and Larchwood promote the use of their premises by external hirer's, Chase works with its partner organisations to ensure both pupils and the local community enjoy full use of the MUGA facilities and Sports Hall.
- A robust procurement framework operates which includes accessing the risk protection arrangement (RPA) offered by DfE to protect against losses previously covered by commercial insurance after cost comparison with quotes obtained from commercial insurers through the CPC. Comparison of cover between the RPA and commercial insurers ensured the level of cover offered by the arrangement was adequate and where necessary was supplemented with commercial insurance.
- The sharing of skills, knowledge and best practice across the Trust maintains and develops staff with the St Martin's leadership team regularly attending Chase and Larchwood to provide collaboration and support. A constant review of the staffing structure across the Trust ensures teaching staff are efficiently deployed to provide good quality teaching and optimise pupil achievement and non-teaching staff provide an efficient and effective support function.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 the Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2016 to 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 Directors.

THE RISK AND CONTROL FRAMEWORK

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

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

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as internal auditor.

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

- Spring 2017 - Internal audit report on key financial controls
- July 2017 - Payroll audit (1 day)
- July 2017 Risk Management (1 day)

On a termly basis, the Internal Auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of their financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Headteacher 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Directors on 7 December 2017 and signed on their behalf, by:

Mr C R Plume
Chair of Trustees

Mr M O'Sullivan
Accounting Officer

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Brentwood Academies Trust I have considered my responsibility to notify the Board of Directors 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 Board of Directors 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 Directors and ESFA.

Mr M O'Sullivan
Accounting Officer

Date: 7 December 2017

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 the Board of Directors on 7 December 2017 and signed on its behalf by:

Mr C R Plume
Chair of Trustees

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRENTWOOD ACADEMIES TRUST

OPINION

We have audited the financial statements of Brentwood Academies Trust (the Trust) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the 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 Trust's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

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

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the 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 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.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRENTWOOD ACADEMIES TRUST

OTHER INFORMATION

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

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

We have nothing to report in this regard.

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the 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, 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRENTWOOD
ACADEMIES TRUST**

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. This description forms part of our Auditor's Report.

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

14 December 2017

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRENTWOOD ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 November 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 Brentwood Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Brentwood Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brentwood Academies Trust and the ESFA those matters we are required to state in a Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Brentwood Academies Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BRENTWOOD ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Brentwood Academies Trust's funding agreement with the Secretary of State for Education dated 11 July 2011, 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 Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRENTWOOD
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

14 December 2017

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	13,981	427,275	1,159,571	1,600,827	2,421,623
Charitable activities	3	-	17,048,766	-	17,048,766	17,230,347
Other trading activities	4	446,895	9,471	-	456,366	527,553
Investments	5	2,103	-	-	2,103	3,385
TOTAL INCOME		462,979	17,485,512	1,159,571	19,108,062	20,182,908
EXPENDITURE ON:						
Charitable activities		272,441	17,705,583	1,600,133	19,578,157	19,469,821
TOTAL EXPENDITURE	6	272,441	17,705,583	1,600,133	19,578,157	19,469,821
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	16	190,538 (37,351)	(220,071) (271,005)	(440,562) 308,356	(470,095) -	713,087 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		153,187	(491,076)	(132,206)	(470,095)	713,087
Actuarial gains/(losses) on defined benefit pension schemes	20	-	322,000	-	322,000	(2,510,000)
NET MOVEMENT IN FUNDS		153,187	(169,076)	(132,206)	(148,095)	(1,796,913)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,265,285	(5,885,763)	42,009,547	37,389,069	39,185,982
TOTAL FUNDS CARRIED FORWARD		1,418,472	(6,054,839)	41,877,341	37,240,974	37,389,069

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638800

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		41,643,444		42,009,547
CURRENT ASSETS					
Debtors	14	887,287		903,592	
Cash at bank and in hand		3,021,381		3,053,922	
		<u>3,908,668</u>		<u>3,957,514</u>	
CREDITORS: amounts falling due within one year	15	(1,576,138)		(2,084,992)	
NET CURRENT ASSETS			<u>2,332,530</u>		<u>1,872,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,975,974</u>		<u>43,882,069</u>
Defined benefit pension scheme liability	20	(6,735,000)		(6,493,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>37,240,974</u></u>		<u><u>37,389,069</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	680,161		607,237	
Restricted fixed asset funds	16	41,877,341		42,009,547	
Restricted income funds excluding pension liability		42,557,502		42,616,784	
Pension reserve		(6,735,000)		(6,493,000)	
Total restricted income funds			<u>35,822,502</u>		<u>36,123,784</u>
Unrestricted income funds	16		1,418,472		1,265,285
TOTAL FUNDS			<u><u>37,240,974</u></u>		<u><u>37,389,069</u></u>

The financial statements on pages 19 to 39 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

Mr C R Plume
Chair of Trustees

BRENTWOOD ACADEMIES TRUST**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(26,658)</u>	<u>640,398</u>
Cash flows from investing activities:			
Interest received		2,103	3,385
Purchase of tangible fixed assets		(1,167,557)	(2,215,125)
Capital grants		<u>1,159,571</u>	<u>1,955,809</u>
Net cash used in investing activities		<u>(5,883)</u>	<u>(255,931)</u>
Change in cash and cash equivalents in the year		<u>(32,541)</u>	<u>384,467</u>
Cash and cash equivalents brought forward		<u>3,053,922</u>	<u>2,669,455</u>
Cash and cash equivalents carried forward	19	<u><u>3,021,381</u></u>	<u><u>3,053,922</u></u>

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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.

Brentwood Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Trust is a company limited by guarantee. The members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member Trust. The registered office is Hanging Hill Lane, Hutton, Brentwood, Essex, CM13 2HG.

1.3 Fund accounting

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

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

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

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	25 / 38 years straight line
Freehold land	-	Not being depreciated
L/Term leasehold land	-	125 years straight line
L/Term leasehold buildings	-	25 years straight line
Motor vehicles	-	5 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	5 years straight line

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

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 note 15. 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.

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	13,981	427,275	-	441,256	465,814
Capital grants	-	-	1,159,571	1,159,571	1,955,809
	<u>13,981</u>	<u>427,275</u>	<u>1,159,571</u>	<u>1,600,827</u>	<u>2,421,623</u>
<i>Total 2016</i>	<u>248</u>	<u>465,566</u>	<u>1,955,809</u>	<u>2,421,623</u>	

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,937,994	15,937,994	16,015,422
Other DfE / ESFA grants	-	873,252	873,252	856,214
	<u>-</u>	<u>16,811,246</u>	<u>16,811,246</u>	<u>16,871,636</u>
Other government grants				
Local Authority grants	-	237,520	237,520	358,711
	<u>-</u>	<u>237,520</u>	<u>237,520</u>	<u>358,711</u>
	<u>-</u>	<u>17,048,766</u>	<u>17,048,766</u>	<u>17,230,347</u>
<i>Total 2016</i>	<u>-</u>	<u>17,230,347</u>	<u>17,230,347</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	112,982	-	112,982	98,655
Catering income	186,521	-	186,521	180,273
Rental income	39,657	-	39,657	49,476
Other income	107,735	9,471	117,206	199,149
	<u>446,895</u>	<u>9,471</u>	<u>456,366</u>	<u>527,553</u>
<i>Total 2016</i>	<u>497,608</u>	<u>29,945</u>	<u>527,553</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	2,103	2,103	3,385
<i>Total 2016</i>	<u>3,385</u>	<u>3,385</u>	

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of education:					
Direct costs	11,071,154	-	1,171,956	12,243,110	12,239,663
Support costs	3,501,231	2,630,121	1,203,695	7,335,047	7,230,158
	<u>14,572,385</u>	<u>2,630,121</u>	<u>2,375,651</u>	<u>19,578,157</u>	<u>19,469,821</u>
Total 2016	<u><u>14,026,189</u></u>	<u><u>2,711,756</u></u>	<u><u>2,731,876</u></u>	<u><u>19,469,821</u></u>	

7. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs	12,243,110	12,239,663
Support costs	7,335,047	7,230,158
	<u>19,578,157</u>	<u>19,469,821</u>
Total	<u><u>19,578,157</u></u>	<u><u>19,469,821</u></u>

Analysis of support costs	2017 £	2016 £
Support staff costs	3,501,231	3,297,757
Depreciation	1,533,375	1,431,210
Technology costs	256,393	356,700
Premises costs (excluding depreciation)	1,096,746	1,280,546
Other support costs	919,244	843,297
Governance costs	28,058	20,648
	<u>7,335,047</u>	<u>7,230,158</u>
Total	<u><u>7,335,047</u></u>	<u><u>7,230,158</u></u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	1,533,375	1,431,210
Auditors' remuneration - audit	11,500	11,500
Auditors' remuneration - other services	6,800	9,148
Operating lease rentals	9,891	32,565
	<u>9,891</u>	<u>32,565</u>

BRENTWOOD ACADEMIES TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017****9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	11,004,042	11,085,268
Social security costs	1,078,459	940,057
Pension costs	2,100,382	1,723,967
	<u>14,182,883</u>	<u>13,749,292</u>
Apprenticeship levy	16,690	-
Supply teacher costs	317,230	276,897
Staff restructuring costs	55,582	-
	<u>14,572,385</u>	<u>14,026,189</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Compromise agreements	55,582	-

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

	2017 No.	2016 No.
Teaching	211	211
Administration and support	200	202
Management	12	14
	<u>423</u>	<u>427</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	3	2
In the band £ 70,001 - £ 80,000	3	2
In the band £ 80,001 - £ 90,000	3	3
In the band £100,001 - £110,000	1	1
In the band £130,000 - £140,000	1	1

The key management personnel of the Academy Trust comprise of the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,400,626 (2016: £1,255,721).

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

10. CENTRAL SERVICES

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

- Financial services and support.
- Payroll advice and assistance.
- Premises consultancy service and H&S consultancy service.
- Curriculum, teaching and learning, School improvement and behaviour consultancy services.

The Trust charges for these services on the following basis:

- percentage of GAG income

The actual amounts charged during the year were as follows:

	2017 £	2016 £
St Martin's School	208,300	170,720
Larchwood Primary School	23,524	59,432
Chase High School	167,787	130,998
Total	<u>399,611</u>	<u>361,150</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Headteacher only receives remuneration in respect of services provided undertaking the roles of Executive Headteacher under their contracts of employment, and not in respect of their role as a Trustee. The value of Trustees' remuneration and other benefits was as follows:

	2017 £	2016 £
Mr M O'Sullivan (Executive Headteacher) Remuneration	135,000-140,000	130,000-135,000
Pension contributions paid	20,000-25,000	20,000-25,000

During the year ended 31 August 2017, the above Trustee received £367 reimbursement of expenses (2016 - £507).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	37,243,309	7,692,160	805,791	1,070,957	46,812,217
Additions	529,519	437,828	96,568	103,642	1,167,557
Disposals	-	-	(285)	-	(285)
At 31 August 2017	<u>37,772,828</u>	<u>8,129,988</u>	<u>902,074</u>	<u>1,174,599</u>	<u>47,979,489</u>
Depreciation					
At 1 September 2016	3,512,968	301,719	337,440	650,543	4,802,670
Charge for the year	1,061,401	222,559	94,724	154,691	1,533,375
At 31 August 2017	<u>4,574,369</u>	<u>524,278</u>	<u>432,164</u>	<u>805,234</u>	<u>6,336,045</u>
Net book value					
At 31 August 2017	<u>33,198,459</u>	<u>7,605,710</u>	<u>469,910</u>	<u>369,365</u>	<u>41,643,444</u>
At 31 August 2016	<u>33,730,341</u>	<u>7,390,441</u>	<u>468,351</u>	<u>420,414</u>	<u>42,009,547</u>

14. DEBTORS

	2017 £	2016 £
Trade debtors	47,659	60,073
VAT recoverable	118,326	164,731
Other debtors	15,385	5,655
Prepayments and accrued income	705,917	673,133
	<u>887,287</u>	<u>903,592</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	386,052	699,342
Other taxation and social security	261,390	272,212
Other creditors	238,174	202,519
Accruals and deferred income	690,522	910,919
	<u>1,576,138</u>	<u>2,084,992</u>

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

15. CREDITORS: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	250,766	313,122
Resources deferred during the year	390,828	250,766
Amounts released from previous years	(250,766)	(313,122)
	<u>390,828</u>	<u>250,766</u>
Deferred income at 31 August 2017	<u><u>390,828</u></u>	<u><u>250,766</u></u>

Resources deferred in the year relate to contributions towards future educational visits, rates payments and universal infant free school meals.

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	1,265,285	462,979	(272,441)	(37,351)	-	1,418,472
	<u>1,265,285</u>	<u>462,979</u>	<u>(272,441)</u>	<u>(37,351)</u>	<u>-</u>	<u>1,418,472</u>
Restricted funds						
General Annual Grant (GAG)	607,237	15,937,994	(15,594,065)	(271,005)	-	680,161
Other DFE/ESFA grants	-	873,252	(873,252)	-	-	-
Other Government grants	-	237,520	(237,520)	-	-	-
Restricted trip donations	-	404,297	(404,297)	-	-	-
Other restricted income	-	32,449	(32,449)	-	-	-
Pension reserve	(6,493,000)	-	(564,000)	-	322,000	(6,735,000)
	<u>(5,885,763)</u>	<u>17,485,512</u>	<u>(17,705,583)</u>	<u>(271,005)</u>	<u>322,000</u>	<u>(6,054,839)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	42,009,547	-	(1,533,375)	1,167,272	-	41,643,444
Capital funding	-	1,159,571	(66,758)	(858,916)	-	233,897
	<u>42,009,547</u>	<u>1,159,571</u>	<u>(1,600,133)</u>	<u>308,356</u>	<u>-</u>	<u>41,877,341</u>
Total restricted funds	<u>36,123,784</u>	<u>18,645,083</u>	<u>(19,305,716)</u>	<u>37,351</u>	<u>322,000</u>	<u>35,822,502</u>
Total of funds	<u><u>37,389,069</u></u>	<u><u>19,108,062</u></u>	<u><u>(19,578,157)</u></u>	<u><u>-</u></u>	<u><u>322,000</u></u>	<u><u>37,240,974</u></u>

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	1,171,073	512,240	(418,028)	-	-	1,265,285
	<u>1,171,073</u>	<u>512,240</u>	<u>(418,028)</u>	<u>-</u>	<u>-</u>	<u>1,265,285</u>
Restricted funds						
	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	500,196	15,974,180	(15,613,904)	(253,235)	-	607,237
SEN funding	-	240,148	(240,148)	-	-	-
Pupil Premium	-	692,908	(692,908)	-	-	-
UIFSM	-	35,616	(35,616)	-	-	-
Educational trips	-	412,108	(412,108)	-	-	-
Other DFE/ESFA grants	-	168,932	(168,932)	-	-	-
Other Government grants	-	118,563	(118,563)	-	-	-
Other restricted funding	-	72,404	(72,404)	-	-	-
Pension reserve	(3,717,000)	-	(266,000)	-	(2,510,000)	(6,493,000)
	<u>(3,216,804)</u>	<u>17,714,859</u>	<u>(17,620,583)</u>	<u>(253,235)</u>	<u>(2,510,000)</u>	<u>(5,885,763)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	41,225,632	-	(1,431,210)	2,215,125	-	42,009,547
Capital funding	6,081	1,955,809	-	(1,961,890)	-	-
	<u>41,231,713</u>	<u>1,955,809</u>	<u>(1,431,210)</u>	<u>253,235</u>	<u>-</u>	<u>42,009,547</u>
Total restricted funds	<u>38,014,909</u>	<u>19,670,668</u>	<u>(19,051,793)</u>	<u>-</u>	<u>(2,510,000)</u>	<u>36,123,784</u>
Total of funds	<u>39,185,982</u>	<u>20,182,908</u>	<u>(19,469,821)</u>	<u>-</u>	<u>(2,510,000)</u>	<u>37,389,069</u>

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS (continued)

Other DfE/ESFA grants

This represents other restricted funding received from the Department for Education.

Other Government grants

This represents other smaller amounts funding received for specific purposes.

Restricted trip donations

This represents contributions made by parents to the running of educational visits for the pupils of the Schools and the associated costs of running the trips.

Restricted donations

This represents income received which is restricted in nature.

Pension reserve

This fund represents the Trust's share of the deficit on the LGPS transferred on conversion from State Maintained Schools.

Restricted fixed asset fund

Restricted fixed assets funds are resources which are applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for specific purposes.

The transfer in of £1,181,558 represents the costs of assets acquired in the year which have been funded mainly by capital grants.

Capital funding

This represents grants received for specific purposes.

Devolved Formula Capital (DFC)

This represents funds received from the ESFA to maintain and improve its buildings and facilities.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
St Martin's School	1,342,648	1,093,731
Larchwood Primary School	47,776	126,595
Chase High School	703,852	572,902
Brentwood Academies Trust	4,357	79,294
Total before fixed asset fund and pension reserve	2,098,633	1,872,522
Restricted fixed asset fund	41,877,341	42,009,547
Pension reserve	(6,735,000)	(6,493,000)
Total	37,240,974	37,389,069

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
St Martin's School	5,729,249	1,338,331	357,188	1,498,835	8,923,603	9,242,822
Larchwood Primary School	751,644	230,777	40,661	259,137	1,282,219	1,094,357
Chase High School Brentwood Academies Trust	4,414,997	1,729,637	315,646	931,460	7,391,740	7,262,649
	175,264	202,486	2,481	66,989	447,220	301,784
	<u>11,071,154</u>	<u>3,501,231</u>	<u>715,976</u>	<u>2,756,421</u>	<u>18,044,782</u>	<u>17,901,612</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	41,643,444	41,643,444
Current assets	1,439,071	2,235,700	233,897	3,908,668
Creditors due within one year	(20,599)	(1,555,539)	-	(1,576,138)
Provisions for liabilities and charges	-	(6,735,000)	-	(6,735,000)
	<u>1,418,472</u>	<u>(6,054,839)</u>	<u>41,877,341</u>	<u>37,240,974</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	42,009,547	42,009,547
Current assets	1,270,434	2,687,080	-	3,957,514
Creditors due within one year	(5,149)	(2,079,843)	-	(2,084,992)
Provisions for liabilities and charges	-	(6,493,000)	-	(6,493,000)
	<u>1,265,285</u>	<u>(5,885,763)</u>	<u>42,009,547</u>	<u>37,389,069</u>

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(470,095)	713,087
Adjustment for:		
Depreciation charges	1,533,375	1,431,210
Dividends, interest and rents from investments	(2,103)	(3,385)
Disposal of fixed assets	285	-
Decrease/(increase) in debtors	16,305	(179,127)
(Decrease)/increase in creditors	(508,854)	368,422
Capital grants from DfE and other capital income	(1,159,571)	(1,955,809)
Defined benefit pension scheme cost less contributions payable	564,000	266,000
Net cash (used in)/provided by operating activities	(26,658)	640,398

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	3,021,381	3,053,922
Total	3,021,381	3,053,922

20. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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 £209,316 were payable to the schemes at 31 August 2017 (2016 - £201,782) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,199,702 (2016 - £1,146,886).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £616,000 (2016 - £593,000), of which employer's contributions totalled £478,000 (2016 - £458,000) and employees' contributions totalled £138,000 (2016 - £135,000). The agreed contribution rates for future years are 20.5-23.2% 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	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

BRENTWOOD ACADEMIES TRUST

(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

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	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	10,329,000	9,429,000
Discount rate -0.1%	10,806,000	9,860,000
Mortality assumption - 1 year increase	10,927,000	9,899,000
Mortality assumption - 1 year decrease	10,214,000	9,391,000
CPI rate +0.1%	10,770,000	9,822,000
CPI rate -0.1%	10,366,000	9,467,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,498,000	2,159,000
Gilts	238,000	-
Corporate bonds	149,000	254,000
Property	371,000	349,000
Cash and other liquid assets	119,000	95,000
Alternative assets	293,000	140,000
Other managed funds	162,000	152,000
Total market value of assets	3,830,000	3,149,000

The actual return on scheme assets was £493,000 (2016 - £376,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(906,000)	(587,000)
Past service cost	(17,556)	(11,402)
Interest income	71,000	99,000
Interest cost	(206,000)	(236,000)
Total	(1,058,556)	(735,402)

BRENTWOOD ACADEMIES TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017****20. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	9,642,000	5,977,000
Current service cost	906,000	587,000
Interest cost	206,000	236,000
Employee contributions	138,000	135,000
Actuarial (gains)/losses	(125,000)	2,786,000
Benefits paid	(202,000)	(79,000)
	<u>10,565,000</u>	<u>9,642,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	3,149,000	2,260,000
Interest income	71,000	99,000
Actuarial losses	197,000	276,000
Employer contributions	478,000	458,000
Employee contributions	138,000	135,000
Benefits paid	(202,000)	(79,000)
Administrative costs	(1,000)	-
	<u>3,830,000</u>	<u>3,149,000</u>

21. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	7,133	8,459
Between 1 and 5 years	6,087	12,813
	<u>13,220</u>	<u>21,272</u>

22. 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.

23. 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 11.