

**BROMLEY EDUCATIONAL TRUST**

**Bromley Educational Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 August 2016**

Company Registration Number: 9028122

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## Reference and Administrative Details

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

Members	Roger Dawe	Appointed 24/02/15 (ongoing)
	Caroline Jolliff	Appointed 06/05/14 (ongoing)
	Sam Parrett	Resigned 31/10/16
	Frank Toop	Appointed 24/02/15 (ongoing)
	John Moss	Appointed 6/12/16

Trustees	Angela Hands	Appointed 27/08/14 (ongoing)
	John Hunt	Resigned 31/10/16
	Caroline Jolliff	Appointed 06/05/14 (ongoing)
	Pamela King	Resigned 23/02/16
	Sam Parrett	Appointed 06/05/14 (ongoing)
	Peter Reeves	Appointed 24/02/15 (ongoing)
	Joanne Southby	Appointed 24/02/15 (ongoing)
	Mary Stiasny	Resigned 13/01/16
	Alison Youd	Resigned 31/12/15
	John Moss	Appointed 6/12/16
	Moyra Pickering	Appointed 6/12/16
Corrine Botten	Appointed 6/12/16	

Company Secretary                      John Hunt

#### Senior Management Team

Chief Executive Officer	Sam Parrett
Chief Financial Officer	John Hunt
Executive Head Teacher	Neil Miller
Executive Director of Finance	Shahnaj Monaf

Company Name                              Bromley Educational Trust

Principal and Registered Office      Rookery Lane  
Bromley  
BR2 SHE

Company Registration Number      9028122

Independent Auditor                      Buzzacott  
130 Wood Street  
London. EC2V 6DL

Bankers    Barclays Bank  
Level 27, 1  
Churchill Place  
London  
E14 5HP

Solicitors                                        Eversheds LLP  
One Wood Street  
London  
EC2V 7WS

## **Trustees' Report**

The Board of Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 July 2015 to 31 August 2016. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on 25 to 29 of the attached financial statements and comply with the School's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later (Charities' SORP 2015).

## **Structure, Governance and Management**

### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Bromley Educational Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3. Business is conducted through full board meetings and an audit committee. Minutes of meetings are maintained and a register of interests published on the Trust's website.

### **Members' Liability**

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

### **Trustees' Indemnities**

As disclosed in note 8 professional indemnity insurance is paid on behalf of the directors and officers of the Academy.

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

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

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

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

## **Trustees Report (continued)**

### **Organisational Structure**

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

### **Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the Academy Trust responsible for directing and controlling the Academy Trust comprise the Board of Trustees together with the Senior Management Team. Details of Trustees' remuneration are disclosed in note 7 of these financial statements. All other Trustees do not receive remuneration in respect of their services to the Academy Trust.

The Board of Trustees consider the pay of the senior management team on an annual basis. When setting rates of pay, the Board take a number of factors into account in order to ensure pay is commensurate with the accountabilities and duties of employment. Other factors which are considered include the financial and academic performance of both the Trust and each member academy, the performance of the staff involved, and sector recommendations of annual pay awards. The Board also consider external benchmarks and salaries offered by other academies for similar staff where this information is available.

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

The Trust has a connection with Bromley College of Further & Higher Education as sponsor of the Academy Trust. The sponsor is contracted to provide back office services to the Trust.

## **Objectives and Activities**

### **Objects and Aims**

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

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

### **Objectives, Strategies and Activities**

The main objectives of the Academy Trust during the year ended 31 August 2016 are summarised below:

- to raise the standard of educational achievement of all pupils;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory requirements;
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness;
- to set in train initiatives to increase the number of pupils at Bromley Educational Trust; and
- the principal long term objectives of the Multi Academy Trust (MAT) are laid out in the Funding Agreement in addition to the points summarised above.

## **Trustees Report (continued)**

### **Objectives, Strategies and Activities (continued)**

The charitable company is governed by its articles of association. It has adopted a scheme of delegation, which sets out the respective functions of the Trust, its associated stakeholder boards and the Head teacher. It has two academies, Bromley Trust Alternative Provision Academy which covers both primary and secondary phases across two sites, with provision for pupils who have been excluded from mainstream education or pupils who are at risk of being excluded from such education. Bromley Beacon Academy, which is a Key Stage 2-5 academy for Social Emotional and Mental Health (SEMH) students who all have Education, Health and Care Plan (EHCP); this academy is located on two sites.

The Bromley Trust Academy provided support to 172 pupils during the year through a mix of long and short stay provision. The School has a Published Admission Number (PAN) of 135 and remained within this threshold throughout the year. Bromley Beacon Academy increased from 29 pupils in September 2015 to 45 pupils by May 2016, which was equal to its PAN.

### **Public Benefit**

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

### **Equal Opportunities**

The Trust is committed to ensuring equality of opportunity for all who learn and work at its Academies. We respect and value positively differences in race, gender, sexual orientation, ability, class, and age.

The Trust monitors the diversity of its staff, and reviews its recruitment arrangements to support equality and diversity objectives. The Trust considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned and, where disabled candidates disclose their disability to the Trust and meet the minimum selection criteria, an interview will be offered. Where an existing employee becomes disabled every effort is made to ensure that their employment with the Trust continues.

The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

### **Key Performance Indicators**

#### **Bromley Trust Academy (BTA)**

There have been significant gains in attainment and progress at both Key Stage 2 and 4 for Bromley Trust Alternative Provision Academy in 2015/16.

At Key Stage 4, all key indicators increased but most notably 5A\*G to 69% from 52% the previous year. 100% of the cohort achieved at least 1A\*G compared with 87% the previous year. Percentage of pupils gaining 3 levels of progress in maths and English also increased significantly by 24% in maths and 31% in English. 100% of the Year 11 cohort are now placed at FE or gained places in school sixth forms.

## **Trustees Report (continued)**

### **Key Performance Indicators (continued)**

At Key Stage 2 the percentage of pupils making expected progress in Writing, Reading and maths all demonstrate significant improvement when comparing to previous years' data with 50%, 45% and 30% of pupils making expected progress or better respectively.

Disadvantaged pupils at KS2, for whom the Pupil Premium provides funding, are demonstrating that the vast majority of eligible pupils are achieving expected progress or better in Literacy and achieving expected progress or better in Numeracy which is similar to Non Pupil Premium pupils.

Pupil attendance for BTA rose significantly above the National Average for PRUs with the number of pupil absences significantly lower when comparing to national PRU data.

Bromley Trust Alternative Provision Academy is providing an appropriate educational experience for its learners where pupils are able to achieve academically and successful transitions are demonstrated so pupils are able to move to the next stage of their education, employment or training and therefore demonstrating value for money.

### **Bromley Beacon Academy (BBA)**

The Key outcomes for Key Stage 4 were extremely pleasing with 100% of pupils making 4 levels of progress in maths and 70% making 4 levels of progress in English, compared to 0% percent in each subject the previous year. 100% of pupils gained 1A\*G compared with 71% the previous year. 85% of the Year 11 cohort have sixth form places.

Pupil attendance at BBA rose significantly last year by 14% and Persistent Absence (PA) reduced by 19% when comparing with the previous year both for 85% and 90% PA indicators.

These significant increases have been achieved despite the starting points of our pupils which are significantly below national level with all year groups being significantly below.

Bromley Beacon Academy is providing an appropriate educational experience for its learners where they are able to achieve academically and successful transitions are demonstrated so pupils are able to move to the next stage of their education, employment or training Through this the Academy demonstrating that it is providing value for money.

### **Going Concern**

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

### **Financial Review**

#### **Principal funding**

Much of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to the running of the Academy Trust. The grants received from the EFA during the year ended 31 August 2016, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

## Trustees Report (continued)

### Principal funding (continued)

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

### Financial report for the year

The total income for the period was £7.5m. This includes a transfer of balances from the Local Authority in respect Bromley Beacon Academy of £3.3m (see note 26) which transferred into the Trust on 1 February 2016. This includes the pension deficit at 1 February 2016 of £0.24m in relation to the Local Government Pension Scheme (see note 23). Excluding the inherited balances from the Local Authority, the School generated income of £4.2m including General Annual Grant of £1.6m (see note 3).

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

Income	4,189
Expenditure	(3,760)
FRS102 charges for the year	<u>(17)</u>
Operating surplus (excluding transfers upon conversion)	<u>412</u>

At 31 August 2016, the Trust had total funds of £10.9m. This was comprised of £10.6m of restricted funds and £0.3m of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £1.1m at 31 August 2016 (2015: £0.4m). The results for the period are shown on page 21.

At 31 August 2016, the net book value of fixed assets was £11.3m and movements in tangible fixed assets are shown in note 9 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Academy Trust.

### Reserves Policy

The Trustees have reviewed the financial statements of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees and a formal reserves policy was approved at the Trust Board meeting on the 17 October 2016, although the reserves policy was originally approved by the Board when the financial statements for 2014/15 were signed.

The policy is largely unchanged from that currently operated by the Trust and seeks to accumulate reserves in order to mitigate risk, protect against unforeseen future events, and to build sufficient reserves to maintain the estate and equipment for pupils.



## **Trustees Report (continued)**

### **Reserves Policy (continued)**

In the context of these principles, Trust policy will be to hold sufficient reserves to:-

- i.) manage cash flow and liquidity so that variable cash demands can be managed in order to smooth out irregular and cyclical spending and allow for unexpected and unpredictable needs. The recommended minimum reserve for this purpose is three months of the total pay and non-pay expenditure of the Academy Trust;
- ii.) manage known risks which are not insurable or where insurance does not provide value for money. This will be a specific sum as appropriate to each Academy Trust;
- iii.) fund annual capital investment in order to ensure the estate is safe and fit for purpose, and IT and other equipment is up to date and suitable for learning. The minimum reserve for this purpose is 6% of total income; and
- iv.) provide resources for major capital projects including building refurbishments, new buildings, or infrastructure improvements. Reserve levels for this purpose will be agreed on a case by case basis in accordance with the property strategy.

### **Investment Policy**

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

### **Principal Risks and Uncertainties**

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

The Executive Team undertakes a comprehensive review of the risks to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and monitored by the Trustees through the subsequent year's appraisal which will review the effectiveness and progress against risk mitigation actions during the year. Outlined below is a description of two principal operational risks and uncertainties relating to the Trust.

#### Funding per Pupil

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

#### Pupil Places

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

## **Trustees Report (continued)**

### **Principal Risks and Uncertainties (continued)**

Projected pupil numbers and the associated financial implications are closely monitored by Trustees and Academy staff. The Trust's exposure to financial risks is moderate due to the fact that the financial instruments that it deals with are bank balances, cash and trade creditors, with limited trade and other debtors. The deficit in the Local Government Pension Scheme which is described in note 23 is subject to annual actuarial valuations and is regularly monitored by the Trustees.

### **Plans for Future Periods**

The Trust has expanded this year with Bromley Beacon Academy joining the Trust. This academy has also grown in terms of number of sites and introduction of mixed gender and KS2 and 5. With this development the number of pupil places within the Trust has increased significantly and therefore the Trust has the ability to support more young people and more mainstream schools.

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

The Trust has submitted a Free School Application for a Medical AP to support and enhance the life chances of a further group of young people who are deemed very vulnerable. This is still in progress.

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

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

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

### **Auditor**

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2016 and signed on the board's behalf by:



**Caroline Jolliff**

Chair of Trustees

Date: 6 December 2016

## **Governance Statement**

### **Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bromley Educational Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **Members**

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

Members comprise:

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

The role of members includes:

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

### **Board of Trustees**

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

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

The role of Trustees includes:

- settling the strategic direction of the Trust and ensuring that the strategies of its academies are clearly defined, setting overall policy, defining goals and setting targets and evaluating performance;
- exercising the Trust's powers;

## Governance Statement (continued)

### Board of Trustees (continued)

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

### Audit Committee

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

### Meetings

The Board of Trustees met 4 times during 2015/16. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee meetings attended out of a possible:

Angela Hands	3/4
John Hunt	4/4
Caroline Jolliff	3/4
Pamela King (Resigned 23/02/2016)	2/4
Sam Parrett	3/4
Peter Reeves	3/4
Jo Southby	3/4
Mary Staisny (Resigned 13/01/2016)	1/4
Alison Youd (Resigned 31/12/2016)	2/4

The Audit Committee of the Trust met three times during 2015/16. Attendance during the meeting of the audit committee was as follows:

Angela Hands	2/3
John Hunt	3/3
Pamela King (Resigned 23/02/2016)	2/3
Sam Parrett	1/3
Peter Reeves	2/3

The Trust is reviewing its governance arrangements for 2016/17. The review will focus on enhancing the existing skills mix of Directors and Trustees to ensure the Trust continues to discharge its responsibilities effectively as it expands and evolves.

### Review of Value for Money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer

## **Governance Statement (continued)**

### **Review of Value for Money (continued)**

understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- reducing reliance on supply staffing;
- improving back office services;
- tendering for a number of contracts in order to reduce costs and improve services;
- improving pupil progression and attainment from previous benchmarks; and
- achieving a surplus from income resources for the year.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Bromley Educational Trust for the year ended 31 August 2016, and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2016, and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

## Governance Statement (continued)

### The Risk and Control Framework (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees have considered the need for a specific internal audit function and appointed RSM Tenon as internal auditor for the year. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period covered:

- risk management;
- key financial controls;
- governance;
- data reporting; and
- action tracking.

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

### Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 6 December 2016 and signed on its behalf by:



**Caroline Jolliff**  
Chair of Trustees



**Sam Parrett**  
Accounting Officer

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Bromley Educational Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregularity or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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



**Sam Parrett**  
Accounting Officer

**6 December 2016**

### **Statement of Trustees Responsibilities**

The Trustees (who act as governors of Bromley Educational Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 6 December 2016 and signed on its behalf by:



**Caroline Jolliff**  
Chair of Trustees



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

We have audited the financial statements of Bromley Educational Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

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

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

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

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

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

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

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

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



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

16 December 2016

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

In accordance with the terms of our engagement letter dated 24 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bromley Educational Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Bromley Educational Trust's funding agreement with the Secretary of State for Education dated August 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

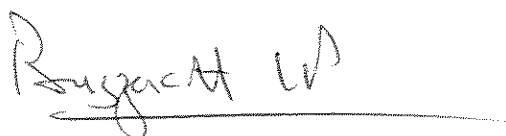
**Independent Reporting Accountant's Assurance Report on Regularity to Bromley Educational Trust and the Education Funding Agency (continued)**

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP, Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

16 December 2016

**Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure Account)**

	Notes	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total Restated 2015 £000
<b>Income from:</b>						
Donations and capital grants	2	-	-	12	12	7
Transferred from local authority on conversion	25	135	(238)	3,413	3,309	8,033
Charitable activities		301	-	-	301	176
Funding for the academy Trust's educational operations	3	12	3,876	-	3,887	2,702
<b>Total income</b>		<u>447</u>	<u>3,638</u>	<u>3,425</u>	<u>7,510</u>	<u>10,917</u>
<b>Expenditure on:</b>						
<b>Charitable activities</b>						
Academy Trust educational operations	4	312	3,465	180	3,958	3,001
<b>Total expenditure</b>	5	<u>312</u>	<u>3,465</u>	<u>180</u>	<u>3,958</u>	<u>3,001</u>
<b>Net income/(expenditure) before transfers</b>						
		135	173	3,245	3,553	7,916
Transfers between funds	13	-	(63)	63	-	-
<b>Net income (expenditure)</b>		<u>135</u>	<u>110</u>	<u>3,308</u>	<u>3,553</u>	<u>7,916</u>
<b>Other recognised gains and losses</b>						
Actuarial (losses) on defined benefit pension schemes	22	-	(430)	-	(430)	(121)
<b>Net movement in funds</b>		<u>135</u>	<u>(320)</u>	<u>3,308</u>	<u>3,132</u>	<u>7,795</u>
<b>Reconciliation of funds</b>						
Total funds brought forward	13	159	(368)	8,004	7,795	-
<b>Total funds carried forward</b>		<u>294</u>	<u>(689)</u>	<u>11,312</u>	<u>10,918</u>	<u>7,795</u>

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

**Balance Sheet as at 31 August 2016**

Company Number 9028122

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Tangible assets	8		11,300		7,984
<b>Current assets</b>					
Debtors	9	63		192	
Cash at bank and in hand		1,568		651	
		<u>1,631</u>		<u>844</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	10	925		629	
<b>Net current assets</b>			<u>706</u>		<u>215</u>
<b>Total assets less current liabilities</b>					
Pension scheme liability	22		12,006		8,199
			<u>1,089</u>		<u>404</u>
<b>Total net assets</b>			<u>10,917</u>		<u>7,795</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	13	11,312		8,004	
. General fund	13	400		36	
. Pension reserve	22	(1,089)		(404)	
<b>Total unrestricted funds</b>			<u>10,623</u>		<u>7,636</u>
<b>Unrestricted income funds</b>	13		294		159
<b>Total funds</b>			<u>10,917</u>		<u>7,795</u>

The financial statements on pages 22 to 44 were approved by the Trustees and authorised for issue on 6 December 2016 and are signed on their behalf by:



**Caroline Jolliff**  
Chair of Trustees

**Statement of Cash Flows for the year ended 31 August 2016**

		<b>2016</b>	2015
		<b>£000</b>	£000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<b>986</b>	791
<b>Cash flows from investing activities</b>			
	18	<b>(70)</b>	(140)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>916</b>	651
<b>Cash and cash equivalents at 1 September 2015</b>		<b>651</b>	—
<b>Cash and cash equivalents at 31 August 2016</b>		<b>1,567</b>	651

## Notes to the Financial Statements for the year ended 31 August 2016

### 1. Statement of 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

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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) (SORP 2015), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Bromley Educational Trust meets the definition of a public benefit entity under FRS 102.

#### First time adoption of FRS 102

These financial statements are the first financial statements of the Bromley Educational Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the Bromley Educational Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included below.

#### Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:



**Notes to the Financial Statements for the year ended 31 August 2016 (continued)****1. Statement of accounting policies (continued)****1.1 Basis of Preparation (continued)**

	31 August 2015 £000
<b>Reconciliation of net income</b>	
Net income previously reported under UK GAAP	7,929
Change in recognition of LGPS interest cost	(2)
Defined benefit pension scheme income	(11)
Net movement in funds reported under FRS 102	<u>7,916</u>

Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £13k and reduce the debit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

**1.2 Going Concern**

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

**1.3 Income**

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

### 1. Statement of accounting policies (continued)

#### 1.3 Income (continued)

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**

Sponsorship income provided to the academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy Trust has provided the goods or services.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund

## Notes to the Financial Statements for the period to 31 August 2016 (continued)

### 1. Statement of accounting policies (continued)

#### 1.5 Tangible Fixed Assets (continued)

in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

#### 1.6 Debtors

Debtors were recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

#### 1.8 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.9 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

#### 1.10 Leased Assets

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

## Notes to the Financial Statements for the period to 31 August 2016 (continued)

### 1. Statement of accounting policies (continued)

#### 1.11 Taxation

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

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

#### 1.12 Pension Benefits

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.13 Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

## Notes to the Financial Statements for the period to 31 August 2016 (continued)

### 1. Statement of accounting policies (continued)

#### 1.14 Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

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

- the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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; and
- estimating the useful economic life of tangible and intangible fixed assets for the purposes of calculating depreciation/amortisation.

### 2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	12	12	7
	-	-	12	7

### 3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
<b>DfE/EFA grants</b>				
General annual grant (GAG)	-	1,562	1,562	1,108
Other DfE/EFA grants	-	160	160	58
	-	1,722	1,722	1,166
<b>Other Government grants</b>				
Local authority grants	12	2,154	2,166	1,536
	12	2,154	2,166	1,536
	12	3,876	3,887	2,702

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**4. Expenditure**

	Non Pay Expenditure			Total 2016 £000	Total 2015 Restated £000
	Staff Costs £000	Premises £000	Other £000		
Academy's educational operations					
- Direct costs	1,857	174	271	2,303	1,719
- Allocated support costs	772	508	375	1,655	1,282
	<b>2,629</b>	<b>682</b>	<b>646</b>	<b>3,958</b>	3,001
Net income/(expenditure) for the year includes:				<b>2016 £000</b>	2015 £000
Operating lease rentals				7	14
Depreciation				180	147
Fees payable to auditor for:					
- audit				16	11
- other services				14	1

**5. Charitable activities**

	Total 2016 £000	Total 2015 £000
<b>Direct costs – educational operations</b>	<b>2,303</b>	1,719
<b>Support costs – educational operations</b>	<b>1,655</b>	1,271
<b>Total direct and support costs</b>	<b>3,958</b>	2,990
<b>Analysis of support costs</b>		
Support staff costs	772	717
Depreciation	5	2
Technology costs	51	45
Premises	508	392
Other support costs	278	85
Governance costs	42	30
<b>Total support costs</b>	<b>1,655</b>	1,269

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**6. Staff**

**a. Staff costs**

Staff costs during the period were:

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Wages and salaries	1,525	1,106
Social security costs	140	88
Operating costs of defined benefit pension schemes	269	176
	<b>1,934</b>	<b>1,369</b>
Supply staff costs	698	253
Staff restructuring costs	4	5
	<b>2,635</b>	<b>1,627</b>
Staff restructuring costs comprise:		
Redundancy payments	4	5
	<b>4</b>	<b>5</b>

**b. Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non contractual severance payments totaling £nil (2015 - £nil).

**c. Staff numbers**

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

	<b>2016 No.</b>	<b>2015 No.</b>
<b>Charitable activities</b>		
Teachers	26	18
Administration and support	18	13
Management	1	1
	<b>44</b>	<b>32</b>

**d. Higher paid staff**

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

	<b>2016 No.</b>	<b>2015 No.</b>
£60,001 - £70,000	3	1
£90,001 - £90,000	-	1

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**6. Staff (continued)**

The above employees participated in the Teachers' Pension Scheme, of which contribution amounted to £30,229.56 (2015 £17,921.47).

**e. Key Management Personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy Trust was £157,575 (2015 - £98,444.33).

**7. Related Party Transactions - Trustees' remuneration and expenses**

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

However, Bromley College (the sponsor of the Bromley Educational Trust) charges a management fee for the time spent by the CEO and a Trustee as their remuneration is paid by Bromley College. The charge for 2015/16 were £82,299.73.

During the year ended 31 August 2016, travel and subsistence expenses totaling £93 (2015 - £92) charges were reimbursed or paid directly to one Trustee.

**8. Trustees and officers insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10m on any one claim and no claims were made during the period ended 31 August 2016. The cost of this insurance is included in the total insurance cost.



**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**9. Tangible fixed assets**

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At 1 September 2015	8,103	8	20	8,131
Additions	3,426	70	-	3,496
Disposals	-	-	-	-
At 31 August 2016	<b>11,529</b>	<b>78</b>	<b>20</b>	<b>11,627</b>
<b>Depreciation</b>				
At 1 September 2015	140	2	5	147
Charged in year	171	5	4	180
At 31 August 2015	<b>311</b>	<b>7</b>	<b>9</b>	<b>327</b>
<b>Net book values</b>				
At 31 August 2016	11,218	70	11	11,300
At 31 August 2015	7,964	5	15	7,984

**10. Debtors**

	2016 £000	2015 £000
Trade debtors	32	89
VAT recoverable	11	72
Prepayments and accrued income	20	31
	<b>63</b>	<b>192</b>

**11. Creditors: amounts falling due within one year**

	2016 £000	2015 £000
Trade creditors	16	166
Taxation and social security	89	35
Other creditors	144	70
Accruals and deferred income	676	358
	<b>925</b>	<b>629</b>

**Notes to the Financial Statements for the period to 31 August 2016 (continued)****12. Deferred income**

	<b>2016</b>	2015
	<b>£000</b>	£000
Deferred income at 1 September 2015	<b>57</b>	-
Resources deferred in the year	<b>22</b>	57
Amounts released from previous years	<b>(48)</b>	-
Deferred income at 31 August 2016	<b>31</b>	57

At the balance sheet date the Academy Trust was holding funds received in advance for lettings booked for the autumn term 2016.

**13. Funds**

	<b>Balance at 1 September 2015 £000</b>	<b>Income £000</b>	<b>Expendi- ture £000</b>	<b>Gains, losses and transfers £000</b>	<b>Balance at 31 August 2016 £000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	26	1,562	(1,378)	-	210
Pupil Premium	-	67	67	-	-
Pension reserve	(404)	(238)	(17)	(430)	(1,089)
Other grants	10	2,259	(2,079)	-	190
	<b>(368)</b>	<b>3,650</b>	<b>(3,540)</b>	<b>(430)</b>	<b>(688)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,844	3,413	(166)	-	11,901
DfE/EFA Capital grants	-	12	-	-	12
Capital expenditure from other funds	160	63	(15)	-	208
	<b>8,004</b>				
<b>Total restricted funds</b>	<b>7,636</b>	<b>7,138</b>	<b>(3,720)</b>	<b>(430)</b>	<b>10,624</b>
<b>Total unrestricted funds</b>	<b>159</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>294</b>
<b>Total funds</b>	<b>7,795</b>	<b>7,273</b>	<b>(3,720)</b>	<b>(430)</b>	<b>10,918</b>

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**13. Funds (continued)**

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**Total funds analysis by academy**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Bromley Trust Academy	516	195
Bromley Beacon Academy	119	-
Central services	59	-
Total before fixed assets and pension reserve	694	195
Restricted fixed asset fund	11,312	8,004
Pension reserve	(1,058)	(404)
<b>Total</b>	<b>10,918</b>	<b>7,795</b>

**Total cost analysis by academy**

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

	<b>Teaching And Education Support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs (excluding depreciation) £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Bromley Trust Academy	1,482	460	45	689	2,674	2,854
Bromley Beacon Academy	376	188	49	324	937	-
Central services	-	124	-	42	166	-
<b>Academy Trust</b>	<b>1,857</b>	<b>772</b>	<b>94</b>	<b>1,054</b>	<b>3,777</b>	<b>2,854</b>

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**13. Analysis of net assets between funds**

Fund balances at 31 August 2016 are represented by:

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total Funds £000</b>
Tangible fixed assets	-	-	11,300	11,300
Current assets	294	1,338	-	1,632
Current liabilities	(152)	(773)	-	(925)
Pension scheme liability	-	-	-	(1,089)
<b>Total net assets</b>	<b>142</b>	<b>(524)</b>	<b>11,300</b>	<b>10,918</b>

**14. Capital commitments**

There are no capital commitments as at the 31 August 2016.

**15. Commitments under operating leases**

**Operating leases**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2016 £000</b>	2015 £000
Amounts due within one year	7	15
Amounts due between one and five years	39	46
Amounts due after five years	-	-
	<b>46</b>	61

**Notes to the Financial Statements for the period to 31 August 2016 (continued)****16. Reconciliation of net income to net cash flows from operating activities**

	<b>2016</b>	Restated
	<b>£000</b>	2015
		£000
Net income for the reporting period (as per the statement of financial activities)	<b>3,553</b>	7,916
Depreciation (note 9)	<b>181</b>	147
Inherited fixed assets	<b>(3,413)</b>	(7,984)
Capital grants from DfE and other capital income	<b>(12)</b>	(7)
Defined benefit pension scheme cost less contributions payable (note 23)	<b>(7)</b>	(2)
Defined benefit pension scheme income (note 23)	<b>21</b>	13
Defined benefit pension scheme obligation inherited	<b>238</b>	270
(Decrease) in debtors	<b>129</b>	(192)
Increase in creditors	<b>296</b>	629
<b>Net cash provided by operating activities</b>	<b>986</b>	791

**17. Cash flows from investing activities**

	<b>2016</b>	2015
	<b>£000</b>	£000
Purchase of tangible fixed assets	<b>(83)</b>	(147)
Capital grants from DfE/EFA	<b>12</b>	7
<b>Net cash used in investing activities</b>	<b>(70)</b>	(140)

**18. Analysis of change in net funds**

	At 1	<b>Cash</b>	At 31
	September	<b>flows</b>	<b>August</b>
	2015	<b>£000</b>	<b>2016</b>
	£000	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	651	916	<b>1,567</b>
Total cash and cash equivalents	651	<b>916</b>	<b>1,567</b>

**19. Contingent liabilities**

There are no contingent liabilities at the balance sheet date.

**20. Member's 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.

## Notes to the Financial Statements for the period to 31 August 2016 (continued)

### 21. Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

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

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

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**22. Pension and similar obligations (continued)**

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

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

The pension costs paid to TPS in the period amounted to £289,545.54.

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £113,875.72 of which employer's contributions totaled £91,825.15 and employees' contributions totaled £22,050.57. The agreed contribution rates for future years are 24.3 per cent for employers and 5.8 to 8.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	<b>3.30%</b>	3.80%
Rate of increase for pensions in payment/inflation	<b>1.80%</b>	2.30%
Discount rate for scheme liabilities	<b>2.10%</b>	4.00%
Inflation assumption (CPI)	<b>1.90%</b>	2.30%
Commutation of pensions to lump sums	<b>50.00%</b>	50.00%

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

	<b>At 31 August 2016</b>	At 31 August 2015
<i>Retiring today</i>		
Males	<b>23.2</b>	23.1
Females	<b>25.6</b>	25.5
<i>Retiring in 20 years</i>		
Males	<b>25.5</b>	25.4
Females	<b>28.5</b>	28.4

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

	<b>Fair value at 31 August 2016 £000</b>	Fair value at 31 August 2015 £000
Equities	<b>726</b>	344
Other Bonds	<b>150</b>	76
Cash/Liquidity	<b>9</b>	3
Other	<b>87</b>	49
<b>Total market value of assets</b>	<b>972</b>	472
Present value of scheme liabilities		
· Funded	<b>2,061</b>	(876)
Surplus/(deficit) in the scheme	<b>(1,089)</b>	(404)

The actual return on scheme assets was £174,000.

Amounts recognised in the statement of financial activities:

	<b>2016 £000</b>	2015 Restated £000
Current service cost (net employee contributions)	<b>(7)</b>	(2)
Past service cost	-	-
Total operating charge	<b>(7)</b>	(2)



**Notes to the Financial Statements for the period to 31 August 2016 (continued)****22. Pension and similar obligations (continued)****Analysis of pension finance costs**

	<b>2016</b>	2015
	<b>£000</b>	Restated £000
Net interest cost	<b>21</b>	13
	<b>21</b>	13

The actuarial gains and losses for the current year are recognized in the statement of financial activities. The cumulative amount of actuarial gains and losses recognized in the statement of financial activities since the adoption of FRS 17 is a £551,000 loss.

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

	<b>2016</b>	2015
	<b>£000</b>	Restated £000
<b>At 1 September</b>	<b>876</b>	-
Current service cost	<b>88</b>	55
Interest cost	<b>47</b>	30
Employee contributions	<b>22</b>	13
Actuarial (gain)/loss	<b>546</b>	18
Benefits paid	-	-
Past Service cost	-	-
Business combinations	<b>482</b>	760
<b>At 31 August</b>	<b>2,061</b>	876

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

	<b>2016</b>	2015
	<b>£000</b>	Restated £000
<b>At 1 September</b>	<b>472</b>	-
Interest income	<b>26</b>	17
Administrative expenses	<b>(3)</b>	-
Actuarial gain/(loss)	<b>149</b>	-
Employer contributions	<b>95</b>	57
Employee contributions	<b>22</b>	13
Business combinations	<b>211</b>	387
<b>At 31 August</b>	<b>972</b>	474

The estimated value of employer contributions for the year ended 31 August 2017 is £107,000.

**The five year history of experience adjustments is as follows:**

	<b>2016</b>	2015
	<b>£000</b>	Restated £000
Present value of defined benefit obligations	<b>(2,061)</b>	(876)
Fair value of share of scheme assets	<b>972</b>	474
Deficit in the scheme	<b>(1,089)</b>	(402)
Experience adjustments on share of scheme assets:		
Amount £000*	<b>174</b>	(9)
Experience adjustments on scheme liabilities:		
Amounts £000*	<b>-</b>	-

**22. Related party transactions**

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

Bromley College – The sponsor of the Bromley Educational Trust has provided a number of services which include management, school improvement, finance, IT, marketing and procurement related contract management.

The charges are as follows:

Management - £124,227.94 (2015/16).

Finance, IT, marketing and procurement related contract management - £85,000 (2015/16) and £65,000 (2014/15).

All the above mentioned costs are included with the creditors values.

**23. Events after the end of the reporting period**

The Trust has been in discussion with the Bromley UTC Trust regarding the transfer of the project to open the Bromley UTC into its governance and control. With the approval of the DFE, the project to open a 14-19 UTC specialising in the fields of health, wellbeing and sports sciences, has now evolved to be an 11-19 free School which will be known as SHAW Futures Academy covering the same specialisms, as this is better suited to local need. At its meeting on 17 October, the board considered this matter in detail and resolved to approve the transfer of the project to open the Free School into the Trust. The DFE has also consented to this transfer.

**Notes to the Financial Statements for the period to 31 August 2016 (continued)**

**24. Conversion to Academy status**

On 1 February 2016 the Burwood School joined the Trust: The School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bromley Educational Trust from the Local Authority for £nil consideration.

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

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

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total £000</b>
Leasehold land and buildings	-	-	3,413	3,413
Budget surplus on LA funds	136	-	-	136
LGPS pension surplus/(deficit)	-	(238)	-	(238)
<b>Net assets/(liabilities)</b>	<b>136</b>	<b>(238)</b>	<b>3,413</b>	<b>3,309</b>

