

REGISTERED COMPANY NUMBER: 08240680 (England and Wales)

**Governors' Report and
Financial Statements for the Period 1 September 2017 to 31 October 2017
for**

**BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

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for the period 1 September 2017 to 31 October 2017**

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BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Reference and Administrative Details
for the Period 1 September 2017 to 31 October 2017**

Members	M R J Kirby M Worrell C Parker J Knifton
Governors	R D J Prior* (Headteacher and accounting officer) M Worrell * (Co -Chair) H N Gilks (resigned 1 November 2017) C S Parker* (Co - Chair) J Watson * (resigned 9 October 2017) M R J Kirby L Hicks (Staff) W Harris (Staff) (resigned 1 November 2017) M A Pearson (resigned 1 November 2017) A Rhoades A Marbrow (resigned 1 November 2017) J Knifton * M Miles-Reeve (resigned 1 November 2017) G Stacey * Members of the Finance & Resources Committee
Company Secretary	A Roe
Senior Management Team Head teacher Deputy Head teacher	R D J Prior H Barnard (appointed 24 August 2017)
Company Registration Number	08240680 (England and Wales)
Principal address/Registered Office	Broom Leys Road Coalville Leicestershire LE67 4DB

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Reference and Administrative Details
for the Period 1 September 2017 to 31 October 2017**

Bankers

Lloyds TSB
20 Belvoir Road
Coalville
Leicestershire
LE67 3QH

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Auditors

Accapita LLP
Christopher House
94b London Road
Leicester
LE2 0QS

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2017 to 31 October 2017. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Coalville. It has a pupil capacity of 595 and had a roll of 536 in the school census on 5 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The governors of Broom Leys School Academy Trust are trustees for the purposes of charity law and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Broom Leys School Academy Trust.

Details of the trustees who served throughout the period except as noted are included in the Reference and Administrative Details on pages 1 to 2.

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.

Governors' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions occurring on academy business.

Method of Recruitment and Appointment or Election of Governors

There are currently four governors who are also members of the Trust. Recruitment of governors is outlined in the Memorandum and Articles of Association. Members may appoint additional governors. Governors, who themselves have not been appointed as a co-opted governor, may also co-opt additional governors. The appointment of staff governors is via a process of a staff ballot. Appointment of parent governors is made via a parent ballot.

Policies and Procedures Adopted for the Induction and Training of Governors

Governor induction training alongside a menu of specialised training is available through the local network of schools to support all new governors. The academy also buys into the Local Authority Governor Development Service who offer further training. Training is tailored to the needs of individual governors to assist with their membership of specific committees. A skills matrix is being developed to identify areas of strength and weakness.

Organisational Structure

The management structure within the academy has three levels: the Governing Body, the Senior Leadership Team and other Leadership Groups. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

The Governing Body performs a strategic role. Acting on the advice of the Headteacher, the Governing Body sets aims and objectives for the Academy Trust, adopts and monitors the strategic development plan and monitors the Academy Trust's use of central government funding. The Governing Body is also responsible for making major decisions on behalf of the Academy Trust, including budget setting, capital expenditure and senior staff appointments.

Some functions are delegated to the Headteacher and/or Senior Leadership Team, or designated Governing Body Committees of which there are four: Finance & Resources including Audit, Curriculum, Pay, Strategic development.

The Senior Leadership Team consists of the Headteacher, the Deputy Headteacher, four Phase Leaders (including one job share partner), the English and Mathematics Subject Leaders, the SENCo and the Business Manager. These leaders direct the Academy at an executive level implementing policies laid down by the governors and reporting back to them. Under the direction of the Academy Financial Handbook and the Academy's Finance Policies, the Headteacher has overall responsibility for the financial management of the Academy Trust while the Business Manager/Principal Finance Officer manages the day-to-day financial procedures and processes.

The Headteacher, supported by the Senior Leadership Team, implements the strategic direction set by the Governing Body and manages the Academy Trust. Middle Leadership staff, including subject leaders, help to cascade the strategic direction and ensure consistent leadership and management across the Academy Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Arrangements for setting the pay and remuneration for key management personnel are decided by the Pay Committee of Governors based on a robust Performance Management Review and other identified performance areas which may include performance against set objectives, observations and participation in whole school development. This in line with the academy trust's pay policy which is reviewed on an annual basis.

Connected Organisations including Related Party Relationships

Broom Leys Primary School is a single academy, financially independent and does not work in federation with any other organisation. However the Academy does work collaboratively with other local schools, academies and Teaching Alliances and other business to help raise achievement and gain best value.

As part of its operation the Academy liaises with organisations such as the Local Authority, Coalville Family of Schools, Forest Way Teaching School Alliance, Leicestershire Academies Group and the North West Leicestershire School Sports Partnership as well as other education providers.

In addition, the Academy maintains links with numerous other agencies who work together to provide support and care for young and vulnerable people e.g. NHS, Leicestershire Police, Leicestershire Social Services including 'Supporting Leicestershire Families'.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's principal activity, as set out in its articles of association and funding agreement is to advance for the public benefit, education in the United Kingdom through its carrying on as a primary school offering a broad curriculum for boys and girls aged 4 to 11 in Coalville, Leicestershire.

The main objective of the Academy Trust is to advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

Objectives, Strategies and Activities

The main objectives of the Academy Trust during the period ended 31 October 2017 in accordance with agreed policies and development plan strategies are:

- provide opportunities for pupils to live a healthy and active lifestyle.
- allow pupils to make mistakes in a safe environment;
- develop pupil's confidence and a feeling of self-esteem and worth;
- celebrate the achievements of individuals and the whole school;
- provide equality of opportunity and access to a broad and balanced curriculum;
- provide a wide and appropriate range of learning experiences and teaching styles;
- maximise the use of facilities and resources in school and the wider community;
- ensure a balance of skills and expertise in all staff and support their development;
- encourage creativity and initiative in all members of the school community;
- give pupils the opportunity to develop a caring and responsible attitude to themselves and each other;
- provide opportunities for pupils to learn to value and respect people, property and the environment;
- provide experiences and develop an understanding of cultural diversity;
- respect and value pupils' home background and the contributions their parents can make;
- enable pupils to develop a sense of community and responsible citizenship
- develop abilities to ask and answer questions in order to make informed choices and develop autonomy;
- teach pupils to make informed choices;
- teach pupils the basic skills which will enable them to succeed in their future lives
- develop each child's individual potential;

Activities for Achieving Objectives

- rolling programme of self evaluation
- development of the School Development Plan
- comply with all statutory requirements
- conduct the academy's business in accordance with high standards of integrity, probity and transparency
- ensure value for money
- act upon the recommendations of OfSTED and other external advisers to work towards the achievement of improved outcomes

Public Benefit

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit Section 4 of the Charities Act 2006, when reviewing the Charity's aims and objectives and in planning future activities. In particular the governors consider how planned activities will contribute to the aims and objectives they have set.

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

STRATEGIC REPORT

Achievement and performance

All of the objectives listed above under the heading 'Objectives, Strategies and Activities' were achieved to a satisfactory standard or above.

Key Performance Indicators

In 2017 the new, more challenging, national curriculum was assessed by tests and interim frameworks for teacher assessment for the second year. Pupils 'do not achieve the expected standard', 'achieve the expected standard' or 'achieve above the expected standard'.

In this academy the proportion of pupils who were working at the expected standard was above national averages at Key Stage 2 in 2017:

	Achieving the expected standard		Achieving above the expected standard	
	Broom Leys	National	Broom Leys	National
Reading, Writing & Mathematics	75%	61%	6%	9%
Reading	84%	71%	27%	25%
Writing	88%	83%	14%	18%
Mathematics	84%	75%	18%	23%
Grammar, Punctuation & Spelling	86%	77%	33%	31%

If a child achieves the expected standard in a test they are awarded a scaled score of 100. The average scaled scores for pupils at this academy were:

	Broom Leys	National
Reading	105.6	104.1
Mathematics	105.3	104.2
Grammar, Punctuation and Spelling	106.2	106.0

Progress measures for this academy in 2017 were:

Reading	+1.36
Writing	+0.76
Mathematics	+1.35

These figures show that progress in Reading and Mathematics was in the top 20% of schools nationally, progress in writing was in line with the majority of schools:

	Reading	Writing	Mathematics
	+1.36	+0.76	+1.35
Well above national average (about 10% of schools)			
Above national average (about 10% of schools)	☺		☺
Average (about 60% of schools)		☺	
Below national average (about 10% of schools)			
Well below national average (about 10% of schools)			

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

STRATEGIC REPORT

Achievement and performance

The Academy Trust tracks the attendance and behaviour of all pupils. Attendance, at 95.2% for the year, was slightly lower than the previous two years (by 0.2%) but was similar to the national average. This was secured through the deployment of a Pastoral Support Worker and Attendance Improvement Officer to target those pupils whose attendance required improvement.

The Academy was inspected in September 2014 and was recognised as a Good School. The recommendations of the OfSTED team formed the basis of the school's development plan for 2014/15 and all recommendations were acted upon.

Key financial performance indicators

The Academy Trust prepares management accounts and an annual budget against which the actual income and expenditure are closely monitored. The management accounts and budget are presented to the Finance Committee together with relevant supporting documentation. Any material budget variations are agreed with governors prior to commitment of the expenditure. The annual budget is approved by the Full Board of Governors.

Financial review

Principal funding sources

The majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 October 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 October 2017, the total expenditure of £538,254 was covered by General Annual Grant funding from the DfE together with Pupil Premium income and other fund income. The incoming resources during the period ended 31 October 2017 were £428,846. The overall surplus for the period ended 31 October 2017 was £117,592 after depreciation charges of £12,106 and actuarial gains on the LGPS pension scheme of £227,000.

Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. The objective is to optimise returns but also ensure that investments are such that there is no risk of loss to these cash funds.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

STRATEGIC REPORT

Reserves policy

The Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of cash reserves. The Governors have determined that the appropriate level of free reserves should remain between 5% and 10% of income to provide sufficient working capital to enable the Academy Trust to manage its cash flow efficiently thus to cover delays between spending and receipt of grants, to manage annual variations in pupil numbers and to provide a buffer for unexpected emergencies.

The current level of funds held is £2,586,781 of which £3,066,229 can only be realised by disposing of tangible fixed assets.

The current level of reserves in the restricted general and unrestricted funds exceeds the target level, being closer to 15% of annual income, but this was considered appropriate in the light of the major repair works which are needed to the roof and the continuing uncertainties over funding and pupil numbers. The Academy Trust also aims to carry forward a prudent level of received income for future capital development repair and replacement of educational equipment and materials and to improve the academy facilities and updating of buildings.

In accounting for the Local Government Pension Scheme (LGPS) the academy trust has recognised a pension fund deficit of £831,000 included in restricted funds, resulting in a deficit on the restricted funds. The amount of the deficit on the pension scheme does not represent an immediate liability which will crystallise but rather is expected to result in an increase in contributions by the academy trust over a period of years, to be met from the academy trust's budgeted annual income. Whilst the increased contributions may not eliminate the deficit on the scheme there should be no actual cashflow deficit on the fund, or direct impact on the free reserves of the academy trust as a consequence of recognising the deficit.

Going concern

The Trustees agreed with the ESFA for the Academy Trust to form a Multi Academy Trust with Castle Rock Academy Trust and Newbridge High School Academy Trust commencing on 1 November 2017. At that date all of the Academy Trusts' assets and liabilities were transferred to The Apollo Partnership Trust (company number 08114513, formerly Castle Rock Academy Trust) and its activities are continuing in that entity.

Following the transfer of the assets and liabilities on 1 November 2017, the Academy Trust entity has become dormant and the intention is to liquidate the entity during 2018. Accordingly the financial statements have not been prepared on a going concern basis although this basis has no impact on the financial position of the Academy Trust.

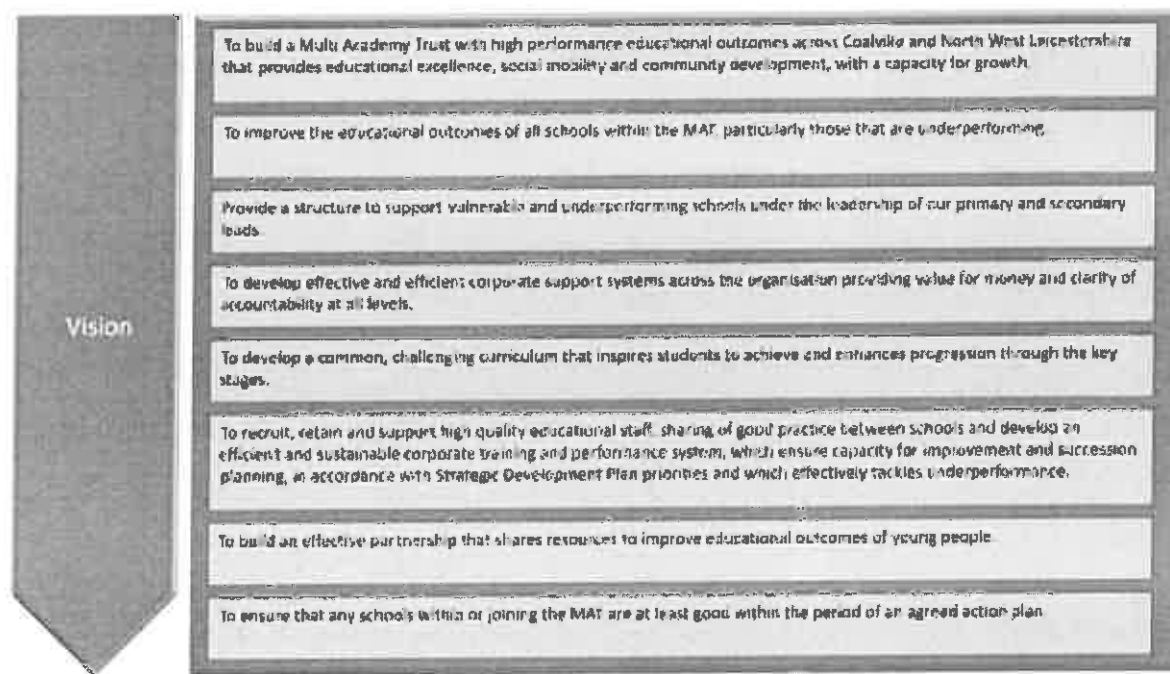
BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

STRATEGIC REPORT

Current Strategy

The long term goal of the Apollo Partnership Trust that formed on 1 November 2017 is to continue to meet the overall educational needs of the young people its care. The Apollo Partnership Trust's vision is :



Future Strategy

Apollo Partnership Trust has formed from Broom Leys Primary School and two other 'good' local academies who share the same drive and vision for improving the educational outcomes for local young people. This will provide excellent opportunities for Apollo partnership Trust to

- Build a partnership with high educational outcomes
- Be in a position to grow to support the educational outcomes of other schools in Coalville and North West Leicestershire area, with a structure to support vulnerable and underperforming schools
- Provide an engaging, challenging curriculum, led by our best innovative staff, working across our schools, making best use of new technologies, which enhances progression through the key stages
- Provide a common pastoral system with access to shared expertise (eg mental health worker, counsellor) and shared resources (eg behavioural support and alternative curriculum)
- Challenge and enrich the curriculum experience of the more able but disadvantaged students through a common approach and shared resources
- Provide a wider range of enrichment and extracurricular opportunities (creative and performing arts, sports, academic intervention) beyond that which we could provide on our own
- Builds a partnership that promotes educational excellence, social mobility and community development through closer relationships with community partners and local government, delivering an enhanced provision of education in Coalville
- Ensure students benefit from excellent shared facilities & resources
- Create pride in themselves & the local area

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governors' Report for the period 1 September 2017 to 31 October 2017

STRATEGIC REPORT

We will modify our governance to ensure structures are appropriate to the new size of the trust. In particular:

- Structures to support clear lines of accountability across the partnership for standards, finance, appraisal and strategic growth.
- A common system of reporting of standards and of financial control.
- Members and trustees who have the breadth and depth of skills and knowledge to plan, deliver and evaluate the establishment and future growth of the partnership.
- A scheme of delegation that ensures the continuation and dissemination of the strengths, sustainable financial position and individual qualities of each school within the partnership.

We will grow our partnership to develop the capacity to both support other schools and establish new schools in the local area, when needed as a result of population growth. This will mean:

- Developing a plan for sustainable growth over the next 5 years.
- Providing the central services to ensure we have the capacity to support local underperforming and vulnerable schools in the future.
- Working in partnership with Forest Way Teaching School Alliance to provide support and continuous professional development for excellent teaching and learning.
- Working in partnership with other local school groups to ensure improved educational standards across Coalville and North West Leicestershire, for example ACE, Coalville Family of Schools.
- Working in partnership with North West Leicestershire District Council to promote the regeneration of the area and address the aspiration and skills gap to ensure that local people are able to take up employment opportunities
- Sharing and development of current good practice in each school.
- Establishing a primary and secondary lead professional to provide and organise school to school support.
- Curriculum and pastoral continuity between the key stages.
- Collaborative projects that enable each school to gain access to shared resources, curriculum development and improved transition.
- A Free School sponsorship model to provide additional school places for large scale planned housing development which includes the need for two new primary schools.
- Greater ability to offer services to other schools not within the partnership e.g. IT Support, Catering Support, Administrative and Business consultancy etc. which would generate additional income for the partnership.

Principal risks and uncertainties

The Academy risks transferred to Apollo Partnership Trust on 1 November 2017. We consider that risks such as the uncertainty over the LGPS deficit and future recurrent funding provision possibly due to the introduction of a national funding formula will feature in the financial risk register as the main areas of concern.

The governors have responsibility to assess the strategic risks to which the Academy is exposed and intend to commissions a systematic analysis of all risks to produce a live Strategic Risk management Register reviewed at every Finance & Resource Committee meeting.

The trustees of Apollo Partnership Trust are implementing a number of systems to assess risks that the Trust faces, especially in the strategic risk areas and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

Where significant financial risk currently remains, adequate insurance cover is in place. A systematic analysis of other risks and effective delivery of the Academy's objects is now underway and will feed in to the business continuity planning.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Governors' Report
for the period 1 September 2017 to 31 October 2017**

STRATEGIC REPORT

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are :

- Loss of (or reduction) in funding
- Meeting requisite standards of education for pupils
- Complying with legislative requirements regarding employment law, data protection, discrimination
- Financial risk - not operating within its budget and running a deficit, changes to funding,
- Potential safeguarding risks
- Operational risk resulting from inexperienced staff being employed and inaccurate, out of date or incorrect data being shared within the Trust
- Ability to improve the overall achievement and attainments of all pupils
- Ability to meet the needs and continuing changes to the local community due to high levels of housing development area and future plans of the local area

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy's auditors are aware of that information.

Governors' report, incorporating a strategic report, approved by order of the board of governors, as the company directors, on²⁶4¹³..... and signed on the board's behalf by:

.....*M Worrell*.....
M Worrell - Chair of Governors

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governance Statement for the Period 1 September 2017 to 31 October 2017

Scope of Responsibility

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

The board of the governors has delegated the day-to-day responsibility to the Principal, 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 Broom Leys Primary School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The board of governors has formally met 2 times during the period. Attendance during the period at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of a possible
M R J Kirby	1	2
W Harris (staff)	1	2
C S Parker (co-chair)	2	2
M A Pearson	1	2
R D J Prior (head teacher/accounting officer)	1	2
L Hicks (staff)	1	2
J Watson	1	1
M Worrell (co-chair)	1	2
H N Gilks	1	2
J Knifton	2	2
A Rhoades	0	2
M Miles-Reeve	1	2
G Stacey	2	2

The Governing Body's role is informed by both financial and on-financial data provided by the members of the Senior Leadership team and designated committees. The Governing Body consider that the data supplied is accurate, sufficient and relevant for their decision making purposes.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governance Statement for the Period 1 September 2017 to 31 October 2017

The Finance & Resources and Audit Committee is a sub-committee of the main governing body. Its purpose is to provide guidance and assistance to the head teacher and governing body in matters relating to budgeting and finance within the agreed terms of the academy's funding agreement and other Government pronouncements. The committee has met 1 time during the period to discuss all aspects of financial management, budget control, capital projects, site maintenance and development. Attendance at meetings during the period was as follows:

Members	Meetings attended	Out of a possible
C Parker	1	1
J Watson (resigned 9 October 2017)	1	1
R D J Prior (Accounting officer)	1	1
M Worrell	1	1
J Knifton (Chair)	1	1

Committee members are appointed each September, to ensure each committee is quorate and trustees have the expertise for the role.

Committee Structure

Each committee has a chairperson & vice chairperson (annual appointment) and minutes are taken by the clerk to governors. Minutes from each committee are shared with all governors prior to each full governors meeting and governors has the opportunity to question, challenge and request further information from committee members. The governing body is a self - evaluating body drawing on good practice from other governing bodies and from governor training and conferences.

With effect from 2016 - 2017, committee structure will be as follows :-

- Finance & Resources Committee to include Finance, Audit, Personnel & Premises.
- Strategic development
- Curriculum
- Pay committee

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The headteacher has ensured the economic, efficient and effective use of all the resources in his charge to allow those resources to be focussed on achieving outstanding educational outcomes for pupils.

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.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governance Statement for the Period 1 September 2017 to 31 October 2017

The Accounting Officer for the Academy Trust has delivered improved value for money in the most recent academic year by :

-Avoidance of waste & extravagance including prudent & economical administration of the organisation with the maintenance of a system of financial governance, including internal spending controls, keeping up to date financial records, continuous financial monitoring & timely reporting.

-The governing body considers one of the best uses of academy resources is to invest in high quality staffing to ensure that children receive the best quality of teaching thereby maximising outcomes for children.

-Monitoring the needs of particular pupils to ensure they receive the correct level & type of support and / or interventions, including 1 to 1 tuition and the setting up of a pastoral / nurture unit.

-Ensuring the academy has performed in line with academic targets.

- Ensuring all pupils have equal access to curriculum and extra curricula opportunities and giving them the opportunity to develop and improve social & emotional skills as well as academic skills.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governance Statement for the Period 1 September 2017 to 31 October 2017

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Broom Leys Primary School Academy Trust for the period 1 September 2017 to 31 October 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2017 to 31 October 2017 and up to the date of approval of the annual report and financial statements.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance & Resources and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire Internal Audit Service, a service provided by Leicestershire County Council, to provide the service.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Governance Statement for the Period 1 September 2017 to 31 October 2017

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems. LCC Internal Audit Services will undertake a programme of activity (including audits) set out in a service level agreement.

In particular the checks carried out in the current period included :

- Governance & Risk Management
- Financial Control
- Investment Strategy
- Budget monitoring & reporting
- Internal Controls
- Testing of payroll systems including payroll charges to budget & salary payments reconcile to contract information
- Testing of purchase systems including payments
- Testing of control account / bank reconciliations
- Transactions are correctly recorded in the accounting system, including VAT
- Transactions are appropriately authorised and are in line with values permitted under the Financial Regulations Policy
- The financial responsibilities of the Governing Body are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal control are being maintained and financial considerations are fully taken into account in reaching decisions.

The internal audit reports to the governing body through the finance & resources committee on the operation of the systems of control and on the discharge of the financial responsibilities of the governing body

In the period covered by the accounts, no internal audit visit have been conducted.

A 'financial audit check ' was undertaken by LCC IAS in June 2017 which involved an appraisal of the Academy's financial system and procedures and a review of the internal controls in place surrounding both financial and governance issues. This healthcheck audit follows previous annual reviews - a full audit undertaken in April 2012 and financial health checks in 2013, 2014 and 2015.

Following the review Internal Audit completes a written report and which is forwarded to the board of trustees, through the finance and audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibility.

The report comments that appropriate controls were in place and operating satisfactorily and the risk of failing to achieve objectives is mitigated.

A number of recommendations were made to bring about improvements, but none of these have a high importance rating signifying a serious control weakness has been identified.

The report from the Internal Auditor is presented to the Finance Committee at the autumn meeting and subsequently this is reported to the board of governors.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Governance Statement
for the Period 1 September 2017 to 31 October 2017**

Review of Effectiveness

As Accounting Officer, R Prior, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the academies financial policies and procedures

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

Approved by order of the members of the board of trustees on24.4.18..... and signed on its behalf by:

.....*M Worrell*.....
M Worrell - Chair of Governors

.....*R D J Prior*.....
R D J Prior - Accounting Officer

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Statement on Regularity, Propriety and Compliance
for the period 1 September 2017 to 31 October 2017**

As accounting officer of Broom Leys Primary School Academy Trust I have considered my responsibility to notify the academy board of governors 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 and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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 governors and ESFA.



.....
R D J Prior - Accounting Officer

Date: 24.11.17

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Statement of Governors Responsibilities for the period 1 September 2017 to 31 October 2017

The governors (who act as trustees of Broom Leys Primary School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those financial statements, the governors 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the academy 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 the ESFA/DfE have been applied for the purposes intended.

The governors 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 board of governors on 24.10.18 and signed on it's behalf by:

.....


M Worrell - Chair of Governors

Report of the Independent Auditors to the Members of Broom Leys Primary School Academy Trust

Opinion

We have audited the financial statements of Broom Leys Primary School Academy Trust (the 'academy') for the period ended 31 October 2017 on pages twenty five to forty nine. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 October 2017 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2016 to 2017.

Basis for 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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

In forming our opinion on the financial statements, which is not modified, we have considered the disclosures made in the accounting policies to the financial statements concerning the basis of preparation adopted. The Trustees have agreed with the ESFA for the Academy Trust to form a Multi Academy Trust with Castle Rock Academy Trust and Newbridge High School Academy Trust commencing on 1 November 2017 as described in note 1, Accounting policies. Therefore the financial statements have not been prepared on a going concern basis, although this has not impacted the carrying value or disclosure of any balances in the financial statements and the activities of the Academy Trust have continued in The Apollo Partnership Trust.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report of the Independent Auditors to the Members of BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Other information

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, 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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors Responsibilities set out on page nineteen, the governors (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 governors 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 governors are responsible for assessing the academy'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 governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST**

D. Ferguson

Darren Ferguson FCCA (Senior Statutory Auditor)
for and on behalf of Accapita LLP
Statutory Auditor
Christopher House
94b London Road
Leicester
LE2 0QS

Date: *26.4.18*

Independent Reporting Accountant's Assurance Report on Regularity to Broom Leys Primary School Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement 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 Broom Leys Primary School Academy Trust during the period 1 September 2017 to 31 October 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 Broom Leys Primary School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Broom Leys Primary School Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Broom Leys Primary School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Broom Leys Primary School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Broom Leys Primary School Academy Trust's funding agreement with the Secretary of State for Education 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 period 1 September 2017 to 31 October 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- a review of activities undertaken by the academy to confirm that they conform to the academy trust's framework of authorities.
- a review of expenditure confirming items are authorised within the academy trust's delegated authorities and are within the academy trust's framework of authorities.
- an evaluation of the general control environment of the academy trust for the purposes of regularity.

**Independent Reporting Accountant's Assurance Report on Regularity to
Broom Leys Primary School Academy Trust and the Education and Skills Funding Agency**

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 2017 to 31 October 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Accapita

Reporting Accountant
Accapita LLP
Chartered Certified Accountants
Christopher House
94b London Road
Leicester
LE2 0QS

Date: *26.10.18*

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the period 1 September 2017 to 31 October 2017**

				Period 1.9.17 to 31.10.17	Year Ended 31.8.17
	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £	Total funds £
Notes					
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	1,020	14,850	-	15,870
Charitable activities					
Funding for the academy's educational operations	3	-	411,770	-	411,770
Other trading activities	4	895	89	-	984
Investment income	5	<u>222</u>	<u>-</u>	<u>-</u>	<u>222</u>
Total		2,137	426,709	-	428,846
 EXPENDITURE ON Charitable activities					
Academy's educational operations		<u>-</u>	<u>526,148</u>	<u>12,106</u>	<u>538,254</u>
NET INCOME/(EXPENDITURE)		2,137	(99,439)	(12,106)	(109,408)
Transfers between funds	18	<u>-</u>	<u>(1,125)</u>	<u>1,125</u>	<u>-</u>
 Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>227,000</u>	<u>-</u>	<u>227,000</u>
Net movement in funds		2,137	126,436	(10,981)	117,592
				117,592	194,277

The notes form part of these financial statements

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Period 1 September 2017 to 31 October 2017**

				Period 1.9.17 to 31.10.17	Year Ended 31.8.17
	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £	Total funds £
RECONCILIATION OF FUNDS					
Total funds brought forward	106,987	(715,008)	3,077,210	2,469,189	2,274,912
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>109,124</u>	<u>(588,572)</u>	<u>3,066,229</u>	<u>2,586,781</u>	<u>2,469,189</u>

CONTINUING OPERATIONS

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the period.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST (REGISTERED NUMBER: 08240680)

**Balance Sheet
At 31 October 2017**

	Notes	2017 £	2017 £
FIXED ASSETS			
Tangible assets	12	3,066,229	3,077,210
CURRENT ASSETS			
Debtors	13	74,179	88,060
Cash at bank		<u>421,162</u>	<u>525,613</u>
		495,341	613,673
CREDITORS			
Amounts falling due within one year	14	<u>(143,789)</u>	<u>(188,694)</u>
NET CURRENT ASSETS		<u>351,552</u>	<u>424,979</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,417,781	3,502,189
NET ASSETS EXCLUDING PENSION LIABILITY		3,417,781	3,502,189
PENSION LIABILITY	19	<u>(831,000)</u>	<u>(1,033,000)</u>
NET ASSETS		<u>2,586,781</u>	<u>2,469,189</u>
FUNDS	18		
Unrestricted funds:			
General fund		109,124	106,987
Restricted funds:			
Restricted General Fund		242,428	317,992
Restricted Fixed Asset Fund		3,066,229	3,077,210
Pension Reserve		<u>(831,000)</u>	<u>(1,033,000)</u>
		<u>2,477,657</u>	<u>2,362,202</u>
TOTAL FUNDS		<u>2,586,781</u>	<u>2,469,189</u>

The notes form part of these financial statements

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST (REGISTERED NUMBER: 08240680)

**Balance Sheet - continued
At 31 October 2017**

The financial statements were approved and authorised for issue by the Board of Governors on
.....~~24.10.17~~..... and were signed on its behalf by:


.....
M Worrell - Chair of Governors

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST**Cash Flow Statement
for the period 1 September 2017 to 31 October 2017**

	Notes	Period 1.9.17 to 31.10.17 £	Year Ended 31.8.17 £
Cash flows from operating activities:			
Cash generated from operations	23	<u>(103,548)</u>	<u>130,882</u>
Net cash provided by (used in) operating activities		<u>(103,548)</u>	<u>130,882</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,125)	(97,929)
Capital grants from DfE/ESFA		-	(10,266)
Interest received		<u>222</u>	<u>1,603</u>
Net cash provided by (used in) investing activities		<u>(903)</u>	<u>(106,592)</u>
Change in cash and cash equivalents in the reporting period		<u>(104,451)</u>	<u>24,290</u>
Cash and cash equivalents at the beginning of the reporting period		<u>525,613</u>	<u>501,323</u>
Cash and cash equivalents at the end of the reporting period		<u>421,162</u>	<u>525,613</u>

The notes form part of these financial statements

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements for the period 1 September 2017 to 31 October 2017

1. ACCOUNTING POLICIES

General information and basis of preparation

Broom Leys Primary School Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page one of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Trustees' Report on pages three to twelve.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

With effect from 1 November 2017 the Academy Trust will transfer its entire operation to a Multi Academy Trust. In accordance with the multi academy funding agreement the financial statements have therefore been prepared for the two month period 1 September 2017 to 31 October 2017, the point of closure of the trust as a prelude to winding up the company and terminating the funding agreement. As a result of this the comparative figures disclosed in the accounts are not entirely comparable.

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

Going concern

The Trustees have agreed with the ESFA for the Academy Trust to form a Multi Academy Trust with Castle Rock Academy Trust and Broom Leys Academy Trust commencing on 1 November 2017. At that date all of the Academy Trusts' assets and liabilities were transferred to The Apollo Partnership Trust (company number 08114513, formerly Castle Rock Academy Trust) and its activities will continue in that entity.

Following the transfer of the assets and liabilities on 1 November 2017, the Academy Trust entity will become dormant and will be liquidated at a future date. Accordingly the financial statements have not been prepared on a going concern basis although this basis has no impact on the financial position of the Academy Trust.

Income

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

1. ACCOUNTING POLICIES - continued

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

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

All resources expended are inclusive of irrecoverable VAT.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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/reducing balance basis over its expected useful life, as follows:

Land	straight line over the period of the lease
Long leasehold buildings	2% on cost
Fixtures, fittings and equipment	10% on reducing balance
Office and computer equipment	33% on reducing balance

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

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

The school buildings have been leased to the academy trust on a 125 year lease at a peppercorn rent. It has been ascertained that the risks and rewards of the property lie substantially with the academy and a reasonable estimate of the gross value is included within fixed assets. Their valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and an open market value for existing use is not readily available.

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.

Leased Assets

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

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

1. ACCOUNTING POLICIES - continued

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 cost as detailed in note 14. 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 instrument.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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 and Skills Funding Agency/Department for Education.

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 19, 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 October 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.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

1. ACCOUNTING POLICIES - continued

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	Period 1.9.17 to 31.10.17 Total funds £	Year Ended 31.8.17 Total funds £
Donations	1,021	-	1,021	1,690
Parental contributions	-	14,850	14,849	37,312
DfE/ESFA capital grants	-	-	-	10,266
	<u>1,020</u>	<u>14,850</u>	<u>15,870</u>	<u>49,268</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricte d Funds £	Restricted Funds £	Total Period 1.9.17 to 31.10.17 £	Total Year Ended 31.8.17 £
DfE/EFA revenue grants				
- General Annual Grant (GAG)	-	359,331	359,331	2,149,522
- Other DfE/EFA grants	-	44,192	44,192	296,109
		-	403,523	2,445,631
Other Government grants				
- Local authority grants	-	8,247	8,247	65,084
- Other government funding	-	-	-	3,000
		8,247	8,247	68,084
		-	411,770	2,513,715

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Period 1.9.17 to 31.10.17 Total funds £	Year Ended 31.8.17 Total funds £
Fundraising activities	404	-	404	3,875
Hire of facilities	491	-	491	4,908
Catering income	-	89	89	32,684
Sale of uniforms	-	-	-	7
Training income	-	-	-	14,261
	<u>895</u>	<u>89</u>	<u>984</u>	<u>55,735</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Period 1.9.17 to 31.10.17 Total funds £	Year Ended 31.8.17 Total funds £
Deposit account interest	<u>222</u>	<u>-</u>	<u>222</u>	<u>1,603</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

6. EXPENDITURE

				Period 1.9.17 to 31.10.17	Year Ended 31.8.17
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
Charitable activities					
Academies educational operations					
Direct costs	288,208	12,564	29,367	330,139	2,001,924
Allocated support costs	<u>62,815</u>	<u>109,755</u>	<u>35,545</u>	<u>208,115</u>	<u>770,120</u>
	<u>351,023</u>	<u>122,319</u>	<u>64,912</u>	<u>538,254</u>	<u>2,772,044</u>

Net resources are stated after charging/(crediting):

	Period 1.9.17 to 31.10.17 £	Year Ended 31.8.17 £
Auditors' remuneration	5,000	6,200
Auditors' remuneration of non-audit work	2,509	1,630
Depreciation - leased assets	8,977	53,857
Depreciation - owned assets	3,129	18,887
Operating leases	<u>-</u>	<u>2,154</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

			Period 1.9.17 to 31.10.17	Year Ended 31.8.17
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Direct costs	-	330,139	330,139	2,001,924
Support costs	<u>-</u>	<u>208,115</u>	<u>208,115</u>	<u>770,120</u>
	<u>-</u>	<u>538,254</u>	<u>538,254</u>	<u>2,772,044</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Period 1.9.17 to 31.10.17 Total £	Year Ended 31.8.17 Total £
Analysis of support costs		
Support staff costs	62,815	345,205
Technology costs	762	6,702
Premises costs	107,121	204,202
Other support costs	27,274	193,006
Governance costs	<u>10,143</u>	<u>21,005</u>
Total support costs	<u><u>208,115</u></u>	<u><u>770,120</u></u>

8. GOVERNORS' REMUNERATION AND BENEFITS

One or more governors have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of governors' remuneration and other benefits was as follows:

	Period 1.9.17 to 31.10.17	Year Ended 31.8.17
R D J Prior (principal and staff trustee)		
Remuneration	£70,000 - £75,000	£70,000 - £75,000
Employer's pension contributions	£10,000 - £15,000	£10,000 - £15,000
W Harris (staff trustee)		
Remuneration	£20,000 - £25,000	£20,000 - £25,000
Employer's pension contributions	£0 - £5,000	£0 - £5,000
J Finn (staff trustee)		
Remuneration	Nil	£30,000 - £35,000
Employer's pension contributions	Nil	£5,000 - £10,000
L Hicks (staff trustee)		
Remuneration	£25,000 - £30,000	£25,000 - £30,000
Employer's pension contributions	£0 - £5,000	£0 - £5,000

Other related party transactions involving the trustees are set out in note 21.

Governors' expenses

During the period 1 September to 31 October 2017 travel and subsistence expenses totalling £nil (year ended 31 August 2017 - £nil) were reimbursed to governors.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

9. STAFF COSTS

Staff costs during the period were:	Period 1.9.17 to 31.10.17 £	Year Ended 31.8.17 £
Wages and salaries	250,643	1,5149,865
Social security costs	18,868	116,326
Operating costs of defined benefit pension schemes	<u>67,937</u>	<u>385,709</u>
	337,448	2,051,900
Supply staff costs	<u>13,575</u>	<u>72,295</u>
	<u><u>351,023</u></u>	<u><u>2,124,195</u></u>

Staff numbers

The average number of persons employed by the academy during the year, and the full time equivalents, was as follows:

	Period 1.9.17 to 31.10.17 No.	Period 1.9.17 to 31.10.17 Full-time equivalent	Year Ended 31.8.17 No.	Year Ended 31.8.17 Full-time equivalent
Charitable Activities				
Teachers	29	26	30	27
Administration and support	62	38	63	39
Management	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>92</u>	<u>65</u>	<u>94</u>	<u>67</u>

Higher paid staff

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

	Period 1.9.17 to 31.10.17 No.	Year Ended 31.8.17 No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust in the period 1 September 2017 to 31 October 2017 was £38,033 (year ended 31 August 2017 - £279,631).

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period 1 September 2017 to 31 October 2017 was £79 (year ended 31 August 2017 - £710). The cost of this insurance is included in the total insurance cost.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	1,690	37,312	10,266	49,268
Charitable activities				
Funding for the academy's educational operations	-	2,513,715	-	2,513,715
Other trading activities	23,051	32,684	-	55,735
Investment income	<u>1,603</u>	<u>-</u>	<u>-</u>	<u>1,603</u>
Total	26,344	2,583,711	10,266	2,620,321
EXPENDITURE ON Charitable activities				
Academy's educational operations	<u>-</u>	<u>2,699,636</u>	<u>72,408</u>	<u>2,772,044</u>
NET INCOME/(EXPENDITURE)	26,344	(115,925)	(62,142)	(151,723)
Transfers between funds	<u>-</u>	<u>(84,521)</u>	<u>84,521</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>346,000</u>	<u>-</u>	<u>346,000</u>
Net movement in funds	26,344	145,554	22,379	194,277
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>80,643</u>	<u>(860,562)</u>	<u>3,054,831</u>	<u>2,274,912</u>
TOTAL FUNDS CARRIED FORWARD	<u>106,987</u>	<u>(715,008)</u>	<u>3,077,210</u>	<u>2,469,189</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017	3,195,835	133,973	56,108	3,385,916
Additions	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>1,125</u>
At 31 October 2017	<u>3,195,835</u>	<u>135,098</u>	<u>56,108</u>	<u>3,387,041</u>
 DEPRECIATION				
At 1 September 2017	244,185	28,439	36,082	308,706
Charge for year	<u>9,223</u>	<u>1,770</u>	<u>1,113</u>	<u>12,106</u>
At 31 October 2017	<u>253,408</u>	<u>30,209</u>	<u>37,195</u>	<u>320,812</u>
 NET BOOK VALUE				
At 31 October 2017	<u>2,942,427</u>	<u>104,889</u>	<u>18,913</u>	<u>3,066,229</u>
At 31 August 2017	<u>2,951,650</u>	<u>105,534</u>	<u>20,026</u>	<u>3,077,210</u>

Included in cost or valuation of land and buildings is long leasehold land of £703,491 (2017 - £704,446)

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2017 £
Trade debtors	2,319	619
Value added tax	23,859	32,049
Prepayments and accrued income	<u>48,001</u>	<u>55,392</u>
	<u>74,179</u>	<u>88,060</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2017
	£	£
Trade creditors	15,171	29,164
Social security and other taxes	27,823	29,323
Other creditors	35,680	36,676
Accruals and deferred income	<u>65,115</u>	<u>93,531</u>
	<u>143,789</u>	<u>188,694</u>

Deferred income

	Period 1.9.17 to 31.10.17	Year Ended 31.8.17
	£	£
Deferred income at 1 September 2017	46,547	45,852
Resources deferred in year	3,943	46,547
Amounts released from previous years	<u>(20,524)</u>	<u>(45,852)</u>
Deferred income at 31 October 2017	<u>29,966</u>	<u>46,547</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and school trips booked for the next academic year.

15. LEASING AGREEMENTS

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

	Period 1.9.17 to 31.10.17	Year Ended 31.8.17
	£	£
Expiring:		
Within one year	1,812	1,812
Between one and five years	<u>906</u>	<u>906</u>
	<u>2,718</u>	<u>2,718</u>

16. 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.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2017	2017
	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £
Fixed assets	-	-	3,066,229	3,066,229
Current assets	109,124	386,217	-	495,341
Current liabilities	-	(143,789)	-	(143,789)
Pension liability	-	(831,000)	-	(831,000)
	<u>109,124</u>	<u>(588,572)</u>	<u>3,066,229</u>	<u>2,586,781</u>
				<u>3,077,210</u>
				<u>613,673</u>
				<u>(188,694)</u>
				<u>(1,033,000)</u>

18. MOVEMENT IN FUNDS

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 October 2017 £
Restricted general funds					
General Annual Grant (GAG)	317,992	359,331	(433,770)	(1,125)	242,428
Other DfE/ESFA grants	-	44,192	(44,192)	-	-
Other restricted	-	23,186	(23,186)	-	-
Pension reserve	(1,033,000)	-	(25,000)	227,000	(831,000)
	<u>(715,008)</u>	<u>426,709</u>	<u>(526,148)</u>	<u>225,875</u>	<u>(588,572)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	-	-	-	-
Capital expenditure from GAG	190,130	-	(2,916)	1,125	188,339
Transfer on conversion	2,887,080	-	(9,190)	-	2,877,890
	<u>3,077,210</u>	<u>-</u>	<u>(12,106)</u>	<u>1,125</u>	<u>3,066,229</u>
Total restricted funds	<u>2,362,202</u>	<u>426,709</u>	<u>(538,254)</u>	<u>227,000</u>	<u>2,477,657</u>
Unrestricted funds					
Unrestricted funds	106,987	2,137	-	-	109,124
Unrestricted funds	106,987	26,344	-	-	109,124
Total funds	<u>2,469,189</u>	<u>428,846</u>	<u>(538,254)</u>	<u>227,000</u>	<u>2,586,781</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

18. MOVEMENT IN FUNDS - continued

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

Restricted General Funds represent unspent General Annual Grant (GAG) which must be used for the normal recurring costs of the academy.

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 October 2017.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. During the year a transfer of £1,125 was made from restricted general funds to represent capital expenditure met from GAG income.

Restricted Pension Reserve Funds represent the academy's share of the assets and liabilities of the Local Government Pension Scheme.

19. PENSION COMMITMENTS

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 Leicestershire County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £33,462 (year ended 31 August 2017: £33,981) were payable to the schemes at 31 October 2017 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.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

19. 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);
- 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 £23,821 (year ended 31 August 2017: £154,135).

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

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.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

Notes to the Financial Statements - continued for the period 1 September 2017 to 31 October 2017

19. PENSION COMMITMENTS - continued

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 October 2017 was £29,041 (year ended 31 August 2017 - £162,629) of which employer's contributions totalled £23,116 (year ended 31 August 2017 - £128,575) and employees' contributions totalled £5,925 (year ended 31 August 2017 - £34,054). The agreed contribution rates for future years are 21.2% for employers and between 5.5% and 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	At 31 October 2017	At 31 August 2017
Rate of increase in salaries	3.40%	3.40%
Rate of increase for pensions in payment/inflation	2.40%	2.40%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.40%	2.40%
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%

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

	At 31 October 2017	At 31 August 2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2
Sensitivity analysis	At 31 October 2017	At 31 August 2017
	£'000	£'000
Discount rate +0.5%	(337)	(357)
Discount rate -0.5%	337	357
Mortality assumption - 1 year increase	65	70
Mortality assumption - 1 year decrease	(65)	(70)
CPI rate +0.5%	267	280
CPI rate -0.5%	(267)	(280)

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

19. PENSION COMMITMENTS
- continued

Local government pension scheme

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

	Fair value at 31 October 2017 £'000	Fair value at 31 August 2017 £'000
Equity instruments	1,068	1,030
Bonds	319	308
Property	127	123
Cash	<u>80</u>	<u>77</u>
Total market value of assets	<u>1,594</u>	<u>1,538</u>

The actual return on scheme assets was £7,000 (year ended 31 August 2017 : 28,000)

Amounts recognised in the statement of financial activities

	Period 1.9.17 to 31.10.17 £000	Year Ended 31.8.17 £000
Current service cost (net of employee contributions)	(44)	(232)
Net interest cost	<u>(4)</u>	<u>(28)</u>
Total operating charge	<u>(48)</u>	<u>(260)</u>

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

	Period 1.9.17 to 31.10.17 £000	Year Ended 31.8.17 £000
At 1 September	2,571	2,525
Current service cost	44	232
Interest cost	11	56
Employee contributions	6	34
Actuarial (gain)/loss	(206)	(272)
Benefits paid	<u>(1)</u>	<u>(2)</u>
At 31 October	<u>2,425</u>	<u>2,571</u>

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

19. PENSION COMMITMENTS - continued

Local government pension scheme

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

	Period 1.9.17 to 31.10.17 £000	Year Ended 31.8.17 £000
At 1 September	1,538	1,277
Interest income	7	28
Actuarial gain/(loss)	21	74
Employer contributions	23	129
Employee contributions	6	34
Benefits paid	(1)	(24)
At 31 October	1,594	1,538

20. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any assets for which a Government grant was received, the academy is required, either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original costs met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State of the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to

(a) the value at that time of the academy site and premises and other assets held for the purpose of the academy, and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 8.

22. POST BALANCE SHEET EVENTS

Following agreement with the EFSA, on 1 November 2017 the Academy Trust formed a Multi Academy Trust with another Academy Trust in the local area. At that date all of the Academy Trusts' assets and liabilities were transferred to the multi academy trust and its activities will continue in that entity.

BROOM LEYS PRIMARY SCHOOL ACADEMY TRUST

**Notes to the Financial Statements - continued
for the period 1 September 2017 to 31 October 2017**

23. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Period 1.9.17 to 31.10.17 £	Year Ended 31.8.17 £
Net expenditure for the reporting period (as per the statement of financial activities)	(109,408)	(151,723)
Adjustments for:		
Depreciation	12,106	72,408
Capital grants from DfE/ESFA	-	10,266
Interest received	(222)	(1,603)
Defined benefit pension scheme cost less contributions	21,000	103,000
Defined benefit pension scheme finance costs	4,000	28,000
Decrease/(increase) in debtors	13,881	(1,854)
(Decrease)/increase in creditors	<u>(44,905)</u>	<u>72,388</u>
Net cash provided by (used in) operating activities	<u>(103,548)</u>	<u>130,882</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 October 2017 £	At 31 August 2017 £
Cash at bank and in hand	218,854	323,402
Notice deposits (less than 3 months)	<u>202,308</u>	<u>202,211</u>
	<u>421,162</u>	<u>525,613</u>