

COMPANY REGISTRATION NUMBER 10027322

BRENT SPECIALIST ACADEMY TRUST

ACCOUNTS

31 AUGUST 2017



AUDIT FOR BUSINESS DEVELOPMENT AND SOLUTIONS LIMITED

Chartered Accountants & Statutory Auditor
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

BRENT SPECIALIST ACADEMY TRUST

ACCOUNTS

YEAR ENDED 31 AUGUST 2017

CONTENTS	PAGE
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	10
Statement of Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Independent Reporting Accountant's Assurance Report on Regularity	18
Statement of Financial Activities	20
Balance sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	23
Other Notes to the Financial Statements	28

BRENT SPECIALIST ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2017

The trustees, who are also directors for the purposes of company law, present their report and the accounts of the charity for the year ended 31 August 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name Brent Specialist Academy Trust

Company registration number 10027322

Registered office C/o Manor School
Chamberlayne Road
Kensal Rise
London
NW10 3NT

Members

Judith Enright – Headteacher of Queens Park Community School
Stephen Hull – former Chair of Governors of Manor School and BSAT Trustee
Sandra Kabir – Chair of Governors of The Village School and former BSAT Trustee
Desi Lodge Patch – former Headteacher and BSAT Trustee
Yasmin Sher – parent

Trustees

The trustees who served the charity during the period were as follows:

Ms J E Jardine, Headteacher

Ms D L Patch, Chair of Trustees to 2 May 2017, (Appointed 1 November 2016)

Vice Chair 2 May 2017 to current

Ms K Charles (Resigned 2 May 2017)

Mr J C D Roseveare – Chair of Trustees 2 May (Appointed 1 November 2016)

2017 to current

Ms S M Kabir (Resigned 31 March 2017)

Mr B Rossi-Anderson (Appointed 1 April 2017, resigned 21 November 2017)

Mr A Rebello (Appointed 1 April 2017, resigned 1 July 2017)

Mr P Sommerfeld (Appointed 1 April 2017)

Mr D Newby (Appointed 1 April 2017)

Ms S Johnson (Appointed 1 April 2017)

Ms Y Sher (Appointed 1 April 2017)

Mr R Ough (Appointed 1 July 2017)

Mr R Drake (Appointed September 2017)

BRENT SPECIALIST ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 AUGUST 2017

Senior Management Team:

Principal	- Jayne Jardine
Deputy principal	- Louise Kimber
Deputy principal	- Margaret O'Connor
Director of finance and administration	- Janice Alexander

Auditor

Audit for Business Development and Solutions Limited
Chartered Accountants
& Statutory Auditor
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

Bankers

Santander
2 Triton Square
Regent's Place
London
NW1 3AN

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates Manor School, a primary special academy for pupils aged 4 to 11 serving a catchment area in Kensal Rise. It has a pupil capacity of 170 and had a roll of 171 in the school census 2016/17.

The company was incorporated on 25 February 2016 and was dormant throughout the period to 31 August 2016, the prior year end. Manor School obtained academy status on 1 April 2017 and these accounts include the results of Manor School for the period from conversion to 31 August 2017. From 1 September 2017 The Avenue School operated as a satellite of Manor prior to obtaining free school status and is the second school to be part of the Brent Specialist Academy Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, Governance and Management Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Brent Specialist Academy Trust are also the directors of the charitable company for the purposes of company law.

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The Subscriber Members may appoint up to 8 Trustees and determine the process by which staff Trustees are appointed, provided that the total number (including the CEO) who are employees of the school does not exceed one third of the total number of Trustees.

Trustees may appoint an unlimited number of Co-opted Trustees. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Trustees who have not themselves been so appointed.

Staff Trustees are elected by staff at the school. Parent Trustees are elected by parents of registered pupils. The Secretary of State for Education may appoint Trustees under certain circumstances.

Elected Trustees (staff and parent Trustees) are in office for a fixed term of four years after which they either retire or offer themselves for re-election. Trustees are appointed for a fixed term of four years after which they either retire or are re-appointed by the governing body.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT *(Continued)*

YEAR ENDED 31 AUGUST 2017

The head teacher is an *ex officio* Governor and has no fixed term of appointment as a Governor.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees are given a tour of the school and the opportunity to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees.

Organisational Structure

The unified management structure consists of three levels: the Trustees, the Senior Leadership Team and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The BSAT Senior Leadership Team is made up of the Principal, two Vice Principals, a Head of Communications and Infrastructure, a Head of Therapy, a Head of Finance and Administration and a Head of Inclusion and Family Liaison' in addition to this each School has a HoS. The Senior Leadership Team controls the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Leadership Team is responsible for the authorisation of expenditure within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always include at least one Trustee. Some spending control is devolved to members of the Management Team, with limits above which a member of the Senior Leadership Team must countersign.

Arrangements for setting pay and remuneration of key management personnel

The Pay Committee is a sub-committee of the Resources Committee and meets annually to determine leadership pay. All staff on the leadership are on defined pay scales with a lower and an upper limit. The pay scales are taken from the School Teachers Pay and Conditions Document. In the case of the Senior Leadership Team and the Management Team the CEO will make recommendations for any pay progression to the committee based on the annual performance management process. Similarly the committee will consider any pay progression for the CEO based on their annual performance review.

Related Parties and other Connected Charities and Organisations

BSAT is an active member of the Brent Schools Partnership which aims to promote co-operative working between Brent schools in relation to recruitment, purchasing and staff development.

Objectives and Activities

Objects and Aims

The principal activities are to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT *(Continued)*

YEAR ENDED 31 AUGUST 2017

Objectives, Strategies and Activities

The principal object and activity of the charitable company is the operation of Manor School to provide a specialist teaching environment for pupils with a range of special educational needs.

In accordance with the Articles of Association the school has adopted a 'Scheme of Governance' approved by the Secretary of State for Education. The Scheme of Governance specifies, among other things, the basis for admitting students to the school, and that the curriculum should comply with the substance of the National Curriculum.

Our mission is to pursue educational excellence, innovation and research offering the most effecting teaching and learning opportunities to our pupils, parents, staff and community.

Our vision is 'love, learn, laugh': to ensure every child is part of our safe, respectful and vibrant community where every child is provided with diverse opportunities and high quality teaching and learning, with a focus on effective communication and independence, ensuring each child can excel and reach their full potential.

Public Benefit

The school's 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 and duties.

Strategic Report

Summary of BSAT Schools characteristics:

<p>Manor School (SLD/ASD/MLD) Date Updated: November 2017</p> <ul style="list-style-type: none">• DfE Number – 304/7006• Last Ofsted Inspection: July 2016 – Outstanding in all areas• Last Challenge Partner review: January 2016• Total Numbers of days in school year: 273 days (39 weeks = 195 days)• School Hours(pupils) : 8.50am – 3.10pm• Free School Meals/Pupil Premium (PP): 40% FSM/ 50.5% PP (high)• Attendance: 2016/17 – Average - 94.78% 2015/16 – Average - 93.7% 2014/15 – Average - 94.3% 2013/14 – Average - 93.6% 2012/13 - Average - 92.5% - <i>National Average is 92.5% (in 2012/13 was 91.8%)</i>	<ul style="list-style-type: none">• Head of School: Steve Thompson• Principal: Jayne Jardine• Chair of Trust: John Roseveare• Age Range: Reception to Yr. 6• Roll: 170• Actual pupil number – 171 (plus agreed placement of Y4 pupil)• EYFS: Reception: 22• Key Stage 1: Y1: 26 Y2: 21• Key Stage 2: Y3: 28 Y4: 22 Y5: 29 Y6: 23 <p>Exclusions : 0 LAC: 1 pupil EAL: 48.9%</p>
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BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT *(Continued)*

YEAR ENDED 31 AUGUST 2017

<p>The Avenue (SLD/Complex needs/ASD) From September 2017</p> <ul style="list-style-type: none">• DfE Number – TBA (currently part of Manor)• Last Ofsted Inspection: none• Total Numbers of days in school year: 273 days (39 weeks = 195 days)• School Hours(pupils) : 8.50am – 3.10pm• Free School Meals/Pupil Premium: TBC• Attendance: 95.37 %• Pupil Banding – 100% Band 6	<ul style="list-style-type: none">• Head of School: Kate Campbell• Principal: Jayne Jardine• Chair of Trust: John Roseveare• Age Range: Reception to Yr. 13• Roll: 18 (<i>from September '17</i>)• Actual pupil number – 17 (place held for Tribunal pupil)• EYFS: Reception: 1• Key Stage 1: Y1: 2 Y2: 4• Key Stage 2: Y3: 2 Y4: 4 Y5:3 Y6:1• Key Stage 3: Yr7: 1 <p>Exclusions : 0 LAC: 1 pupil EAL: 41%</p>
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Manor Ofsted July 2016 Inspection judgements = Outstanding

- Effectiveness of leadership and management is outstanding
- The governance of the school - Governance of the school is very effective.
- Quality of teaching, learning and assessment is outstanding
- Early years provision is outstanding

Mobility

We continue to have a very stable roll with very little in year mobility. The stable roll is very positive for both our pupils and for their outcomes/achievements.

New pupil admissions

17 pupils from Manor transferred to The Avenue in September 2017. This enabled Manor to open 17 new places with the addition of 2 more places due to 2 pupils moving out of the school for other reasons (1 to mainstream and 1 out of London). With the addition of the 24 Reception places this meant that we offered 43 places for new pupils to start at the beginning of the Autumn Term 2017.

These new pupils, with the exception of the Reception intake, are spread across KS1 and 2. All pupils were offered a transition plan and this has enabled them to settle incredibly well.

We have had 23 requests for placement at Manor since September '17.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT *(Continued)*

YEAR ENDED 31 AUGUST 2017

Effectiveness of the Trust

Our Trust visioning and strategic planning day in July 2017 enabled the Trust to identify new methods of working, to self-reflect, and clarify our vision and core purpose.

A review of Governance arrangements has been carried out by the CEO with input from the Senior Leadership Team, Chair and Vice-Chair. Recommendations designed to enhance the Trust's governance will be discussed in the autumn term 2017 with a view to implementation in 2018.

The Trust successfully opened a second school, The Avenue, in September 2017. The Trust has continued to pursue opportunities to open new schools including bids, and partnerships with the LA and other schools

The Trust has worked with Academy Ambassadors to strengthen the range of skills represented on the Board through the appointment of new members.

Other Performance Indicators

The following financial performance indicators are monitored by the Trustees:

Average gross income per pupil - £10,401 for the 5 months to 31st August 2017

Ratio of staff costs (including support staff costs) to total costs – 82% for the five months to 31st August 2017. This figure is lower than expected due to total costs including significant refurbishment expenditure that was financed from reserves. As a percentage of funding staff costs are 89%.

Going Concern

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

FINANCIAL REVIEW

The school's income and expenditure for the period is set out in the Statement of Financial Activities.

The school's income across all funds for the period was £7.913m including transfers on conversion of £5.788m and its expenditure was £2.334m resulting in a surplus for the period of £5.679m. Excluding transfers on conversion the deficit for the period was £109,253.

Income and expenditure is separately disclosed by type of fund, as follows:

1. Unrestricted income fund - Total funds carried forward: £34,782 representing net incoming resources during the period.
2. Restricted income funds - Total deficit carried forward £2,879,835 including a deficit on the Local Government Pension Scheme (LGPS) of £3,306,000. This is the main fund through which school income and expenditure passes. These funds must be spent for the benefit of a particular aspect of the school and at the discretion of the Trustees.
3. Restricted Fixed Asset - Total funds carried forward: £8,332,324. This fund relates to the school's fixed assets, including its land and buildings.

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT *(Continued)*

YEAR ENDED 31 AUGUST 2017

Reserves Policy

Cash balances are deposited with UK banks.

The Trustees review the reserve levels of the school annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that the appropriate level of free reserves should be equivalent to 30 days of average expenditure, approximately £400,000. This is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide the ability to deal with unexpected emergencies such as urgent maintenance. Relevant reserves are net current assets for this purpose and approximate to £461,000, close to the target amount.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the school is exposed, in particular those relating to Operational areas of the school including teaching, recruitment, health and safety, school trips, pupil safety and the suitability of facilities. A Risk Register with associated mitigation measures is kept by the Principal and Head of Finance and Administration.

OTHER:

RISK: Stalled decision making at the Funding Agency may result in abortive development work.

MITIGATION: can be contained within current financial forecasts.

RISK: Reductions in pupil funding from central Government.

MITIGATION: contingency planning process in place.

RISK: departmental spending not adequately controlled.

MITIGATION: strong internal control procedures have been put in place to prevent this happening, managed by the CFO. Quarterly management information provided to the Trustees for oversight purposes.

The Principal and head of Finance meet on a weekly basis to review budget spending and discuss and issues arising.

Plans for Future Periods

Over the next 3 year we will:

- Continue to develop a comprehensive specialist schools expansion programme in collaboration with the local authority and other partners;
- embed and develop a communications and stakeholder engagement strategy to raise awareness about ,and the profile of, the Trust's schools;
- roll out a 'grow your own' leadership and development programme;
- further develop the Brent Assessment Route I Can programme (a SEND. Small step programme we have devised and Verbal Behaviour teaching methodology offer

BRENT SPECIALIST ACADEMY TRUST

TRUSTEES' ANNUAL REPORT *(Continued)*

YEAR ENDED 31 AUGUST 2017

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, including a strategic report, was approved by order of the board of Trustees, as the company's directors, in 21st November 2017 and signed on the board's behalf by:

John Roseveare

Chair of Governors

BRENT SPECIALIST ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2017

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Brent Specialist 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 or loss.

The board of trustees 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 Brent Specialist Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

JR note – these are combined rather than separating out the committees – need to confirm whether this section relates to all the Trust meetings ie including those held before 1/4/17.

Trustee	Meetings attended	Out of a possible
Ms J E Jardine	6	6
Ms D L Patch	4	6
Ms K Charles	3	3
Mr D Newby	6	6
Mr J C D Roseveare	6	6
B Rossi-Anderson	2	5
Mr A Rebello	4	4
P Sommerfield	5	6
Ms S Johnson	5	6
Mr Richard Ough	4	4
Mr Richard Drake	2	2

There are no separate sub-committees. All matters are dealt with within the full governing body meetings. All matters such as financial strategy and policy, review of the school's income and expenditure, internal control framework, including its financial procedures and risks arising from operations and, in respect of premises, recommendations concerning the condition, use and development of the school's buildings, and to review school's policy on health and safety are considered within these meetings.

Review of Value for Money

As accounting officer the principal 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.

BRENT SPECIALIST ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2017

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by eg:

- Improving Educational Results by enhancing CPD opportunities for all staff, supporting teaching and learning across the trust, enhancing our assessment processes; including improving our Pupil Progress meetings and further developing our monitoring and reporting systems (see previous for results).
- Financial Governance and Oversight by reviewing the terms of reference for our trusts Resources Sub group, appointing a new trustee with extensive financial background and arranging frequent visits to other MATs to share and investigate best financial practice. Trustees review approve the budget each year and are mindful of the need to balance expenditure against income to ensure the school remains a going concern. Trustees approve the Trustee Report and Financial Statements and the external Auditor's Management Report. They also review budget monitoring reports during the year and three year forecasts of income and expenditure.
- Enhancing our better purchasing procedures by undertaking regular tender exercises to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.
- Enhancing our income generation procedures; this includes the appointment of a new staff member to support this work. We also explore opportunities to generate income through the hire of facilities including the swimming pool and halls.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brent Specialist Academy Trust for the period 1 April 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees

BRENT SPECIALIST ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2017

- regular reviews by the finance and general purposes 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:

- not to appoint an internal auditor. However the trustees have appointed Audit for Business Development and Solutions Limited, the external auditor, to perform additional checks

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the **auditor** reports to the board of trustees, through the **resources committee** on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the **reviewer**
- 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 accounting officer has been advised of the implications of the result of their review of the system of internal control by the **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 on 21st November 2017 and signed on its behalf by:

John Roseveare
Trustee

Jayne Jardine
Accounting Officer

BRENT SPECIALIST ACADEMY TRUST
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2017

[Keep this page as more to be added above]

BRENT SPECIALIST ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2017

As accounting officer of Brent Specialist Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

Jayne Jardine
Accounting Officer

26/01/2018

BRENT SPECIALIST ACADEMY TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2017

The trustees (who act as Trustees of Brent Specialist Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. Approved by order of the members of the board of trustees on 21/11/17 and signed on its behalf by:

John Roseveare
Trustee

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT SPECIALIST ACADEMY TRUST

YEAR ENDED 31 AUGUST 2017

We have audited the accounts of Brent Specialist Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON ACCOUNTS

In our opinion the accounts:

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

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENT SPECIALIST ACADEMY TRUST (Continued)

YEAR ENDED 31 AUGUST 2017

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

P J Ham

Senior Statutory Auditor
For and on behalf of
Audit for Business Development and Solutions Limited
Chartered Accountants
& Statutory Auditor
15 Oxford Street
Southampton
Hampshire
SO14 3DJ

[Date]

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRENT SPECIALIST ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 6th October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brent Specialist Academy Trust during the period 1st April 2017 to 31st August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Brent Specialist Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brent Specialist Academy Trust and 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 Brent Specialist Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Brent Specialist Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Brent Specialist Academy Trust's funding agreement with the Secretary of State for Education 31/3/2017 and the Academies Financial Handbook, extant from 1st 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 1st April 2017 to 31st August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 trust's income and expenditure.

BRENT SPECIALIST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRENT SPECIALIST ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY *(Continued)*

YEAR ENDED 31 AUGUST 2017

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

P J Ham

Reporting Accountant

For and on behalf of

Audit for Business Development and Solutions Limited

15 Oxford Street

Southampton

Hampshire

SO14 3DJ

[Date]

BRENT SPECIALIST ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted Income Funds £	Restricted Income Funds £	Restricted Fixed Asset Fund £	Total Funds 2017 £	Total Funds 2016
INCOME FROM:						
Transfer from local authority on conversion	3	–	(2,675,914)	8,342,866	5,666,952	–
Charitable activities						
Funding for the academy's educational operations	4	–	2,211,418	–	2,211,418	–
Other trading activities	5	30,976	–	–	30,976	–
Donations	2	3,792	–	–	3,792	–
Investment income	6	104	–	–	104	–
TOTAL		34,872	(464,496)	8,342,866	7,913,242	–
EXPENDITURE ON:						
Charitable activities – school's educational activities	7	–	(2,189,474)	(44,342)	(2,233,816)	–
Governance costs	9	–	(146)	–	(146)	–
TOTAL RESOURCES EXPENDED		–	(2,189,620)	(44,342)	(2,333,962)	–
NET INCOME/EXPENDITURE	10	34,872	(2,654,116)	8,298,524	5,679,280	–
Transfers between funds		–	(33,719)	33,719	–	–
OTHER RECOGNISED LOSSES						
Actuarial loss on defined benefit pension scheme		–	(192,000)	–	(192,000)	–
RECONCILIATION OF FUNDS		–	(192,000)	–	(192,000)	–
Total funds brought forward		–	–	–	–	–
TOTAL FUNDS CARRIED FORWARD		34,872	(2,879,835)	8,332,243	5,487,280	–

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 23 to 39 form part of these accounts.

BRENT SPECIALIST ACADEMY TRUST

BALANCE SHEET

31 AUGUST 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	8,332,243	-
CURRENT ASSETS			
Debtors	15	347,173	-
Cash at bank		352,035	-
		<u>699,208</u>	<u>-</u>
CREDITORS: Amounts falling due within one year	16	<u>(238,171)</u>	<u>-</u>
NET CURRENT ASSETS		461,037	-
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,793,280</u>	<u>-</u>
PROVISIONS FOR LIABILITIES			
Pensions	24	(3,306,000)	-
NET ASSETS		<u>5,487,280</u>	<u>-</u>
FUNDS			
RESTRICTED FUNDS			
Fixed asset fund	17	8,332,243	-
Restricted income fund	17	26,589	-
Pension reserve(deficit)	24	(3,306,000)	-
		<u>5,452,498</u>	<u>-</u>
TOTAL RESTRICTED FUNDS	17	5,452,498	-
Unrestricted income funds	17	34,782	-
TOTAL FUNDS	17	<u>5,487,280</u>	<u>-</u>

These accounts were approved by the members of the committee and authorised for issue on the [date] and are signed on their behalf by:

J Jardine
Director

J Roseveare
Director

Company Registration Number: 10027322

The notes on pages 23 to 39 form part of these accounts.

BRENT SPECIALIST ACADEMY TRUST

STATEMENT OF CASH FLOWS

31 AUGUST 2017

	Note	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	385,651	-
CASH FLOWS FROM FINANCING ACTIVITIES	21	(33,616)	-
CHANGE IN CASH IN THE REPORTING PERIOD		352,035	-
CASH AT 1ST SEPTEMBER 2016		-	-
CASH AT 31ST AUGUST 2017	22	<u>352,035</u>	<u>-</u>

The notes on pages 23 to 39 form part of these accounts.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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.

Basis of Preparation

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.

Brent Specialist Academy Trust meets the definition of a public benefit entity under FRS 102.

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Manor School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Brent Specialist Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Freehold land and buildings were transferred from the Local Authority on 1st April 2017. A professionally qualified property valuer valued the property on behalf of Brent Council at fair value, being the price that would be received to sell an asset in an orderly transaction between market participants at 1st April 2014. The trustees consider that the valuation was undertaken on a depreciated replacement cost basis and equipment were transferred for £nil consideration and have been included at £nil value except for a few readily identifiable major items.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Going Concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

Capital grants are recognised 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 the receipt is probable and the amount can be reliably measured.

- **Other Income**

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

- **Transfer on conversion**

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- | | |
|------------------------------------|-----------------|
| • Land | No depreciation |
| • Long leasehold buildings | 125 years |
| • Fixtures, fittings and equipment | 5 years |
| • Computer hardware | 3 years |
| • Motor vehicles | 5 years |

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

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.

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.

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

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. 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. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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. 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.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education and Brent Council.

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.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and assumptions (continued)

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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2017 £	Total funds 2016 £
Donations	3,792	–	–	3,792	–

3. TRANSFERS ON CONVERSION

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	–	–	8,342,866	8,342,866	–
Transfer from Local Authority on conversion - pension deficit	–	(3,052,000)	–	(3,052,000)	–
Transfer from own resources on conversion	–	376,086	–	497,667	–
	–	(2,675,914)	8,342,866	5,666,952	

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2017 £	Total funds 2016 £
Grants receivable					
General annual grant	–	661,638	–	661,638	–
Start up grant	–	55,000	–	55,000	–
Other government grants	–	165,042	–	165,042	–
SEN top up grant	–	1,329,738	–	1,329,738	–
	–	2,211,418	–	2,211,418	

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total Funds 2017 £	Total funds 2016 £
Other voluntary income - lettings	16,517	-	-	16,517	-
Other voluntary income	14,459	-	-	14,459	-
	<u>30,976</u>	<u>-</u>	<u>-</u>	<u>30,976</u>	

6. BANK INTEREST RECEIVABLE

	Restricted Funds £	Total Funds 2017 £	Total funds 2016 £
Bank interest receivable	104	104	-
	<u>104</u>	<u>104</u>	<u>-</u>

7. EXPENDITURE

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2017 £	Total 2016 £
School's educational operations:					
Direct costs	1,546,444	-	51,231	1,597,675	-
Support costs	294,217	228,567	113,357	636,141	-
	<u>1,840,661</u>	<u>228,567</u>	<u>164,588</u>	<u>2,233,816</u>	<u>-</u>

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

8. ANALYSIS OF SUPPORT COSTS – EDUCATIONAL OPERATIONS

Analysis of educational support costs

	2017	2016
	£	£
Support staff costs	294,217	-
Depreciation	44,343	-
Technology costs	19,982	-
Premises costs	184,224	-
Other support costs	93,375	-
Total support costs	636,141	-

9. GOVERNANCE COSTS

	Restricted Funds	Total Funds
	£	£
Costs of trustees' meetings	146	146

10. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2017
	£
Depreciation	44,343
Auditors' remuneration:	
- audit of the financial statements	16,750
Operating lease costs:	
- Other	3,871

11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2017
	£
Wages and salaries	1,286,592
Social security costs	115,857
Other post-retirement benefit costs	383,475
Supply staff cost	48,303
Apprenticeship levy	6,434
	1,840,661

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

11. STAFF COSTS AND EMOLUMENTS (continued)

Other post-retirement benefit costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs.

Staff numbers

The average number of employees during the period was as follows:

	2017
	No
Teachers	21
Administration and support	85
Site, school meals and kitchen staff	22
	<hr/> 128 <hr/>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension contributions) exceeded £60,000 on an annualised basis was:

	2017
£60,001 - £70,000	2
£70,001 - £80,000	1
£80,001 - £90,000	1
£130,001-£140,000	1

e. Senior Leadership Team

The key management personnel comprise the Governors and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was for the period from 1st April 2017 to 31st August 2017 was £165,793.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

12. RELATED PARTY TRANSACTIONS

One or more trustees has been paid remuneration or has received other benefits from an employment with the school. The headteacher and other staff trustees receive remuneration only in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments.

The value of trustees' remuneration and other benefits for the period from 1st April 2017 to 31st August 2017 was:

	2017
J Jardine (Headteacher and trustee)	
Remuneration	£50,001-£55,000
Employer's pension contributions	£5,001-£10,000
D Newby (staff trustee)	
Remuneration	£15,001-£20,000
Employer's pension contributions	£0
S Johnson (staff trustee)	
Remuneration	£15,001-£20,000
Employer's pension contributions	£0-£5,000

Owing to the nature of the school'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the school's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.

13. TRUSTEES AND OFFICERS INSURANCE

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

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

14. TANGIBLE FIXED ASSETS

	Long leasehold property £	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 September 2016	-	-	-	-	-
Additions	11,539	4,930	17,251	-	33,720
Transfers	8,250,000	33,309	30,030	29,527	8,342,866
At 31 August 2017	8,261,539	38,239	47,281	29,527	8,376,586
DEPRECIATION					
At 1 September 2016	-	-	-	-	-
Charge for the year	27,500	5,278	9,104	2,461	44,343
At 31 August 2017	27,500	5,278	9,104	2,461	44,343
NET BOOK VALUE					
At 31 August 2017	8,234,039	32,961	38,177	27,066	8,332,243
NET BOOK VALUE					
At 31 August 2016	-	-	-	-	-

15. DEBTORS

	2017 £	2016 £
Other debtors - VAT recoverable	30,876	-
Other debtors – receivable from Local Authority	325,520	-
Prepayments	9,223	-
	347,173	-

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	107,528	-
Taxation and social security	72,505	-
Accruals and deferred income	58,138	-
	238,171	-

Deferred income comprises grants in advance of £32,688.

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

17. FUNDS

	At 1st September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31st August 2017 £
Restricted general funds					
General Annual Grant	-	661,638	(661,638)	-	-
Transfer on conversion	-	376,086	-	-	376,086
Start up grant	-	55,000	(55,000)	-	-
SEN top up and other grants	-	1,494,780	(1,444,701)	-	50,079
Pension reserve	-	(3,052,000)	(62,000)	(192,000)	(3,306,000)
	-	(464,496)	(2,223,339)	(192,000)	(2,879,835)
Restricted fixed asset funds					
Transfer on conversion	-	8,342,866	-	-	8,342,866
Movements on fixed assets	-	-	(10,623)	-	(10,623)
	-	8,342,866	(10,623)	-	8,332,243
Total restricted funds	-	7,878,370	(2,233,962)	(192,000)	5,452,498
Total unrestricted funds	-	34,872	-	-	34,872
Total funds	-	7,913,242	(2,333,962)	(192,000)	5,487,280

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

General Annual Grant, pupil premium and other grants fund relates to the school's development and educational activities.

Restricted fixed asset fund relates to fixed assets transferred from the state maintained school.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £000	Restricted funds £000	Restricted Fixed Asset fund £000	Total £000
Tangible fixed assets	-	-	8,332,243	8,332,243
Current assets	34,872	664,336	-	699,208
Current liabilities	-	(238,171)	-	(238,171)
Pension fund liability	-	(3,306,000)	-	(3,306,000)
	34,872	(2,879,835)	8,332,243	5,487,280

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

19. COMMITMENTS UNDER OPERATING LEASES

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

	2017
	£
Plant and machinery:	
Amounts due within one year	402
Amounts due between one and five years	134
	<hr/> 536 <hr/>
Land and buildings:	
Amounts due within one year	70,000
	<hr/> 70,000 <hr/>

20. RECONCILIATION OF NET OUTGOING RESOURCES BEFORE TRANSFERS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2017
	£
Net incoming resources before transfers	5,679,280
Interest receivable	(104)
Defined benefit pension scheme cost less contributions payable	27,000
Defined benefit pension scheme finance cost	35,000
Transfer of fixed assets from Local Authority on conversion	(8,342,866)
Transfer from Local Authority on conversion – pension deficit	3,052,000
Depreciation	44,343
Increase in debtors	(347,173)
Increase in creditors	238,171
	<hr/> 385,651 <hr/>
Net cash inflow from operating activities	385,651

21. CASH FLOW FROM INVESTING ACTIVITIES

	2017
	£
Interest	104
Purchase of tangible fixed assets	(33,720)
	<hr/> (33,616) <hr/>
Cash used in investing activities	(33,616)

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 Aug 17
	£
Cash in hand and at bank	<u>352,035</u>

23. MEMBERS' LIABILITY

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

24. PENSION AND OTHER POST-RETIREMENT BENEFITS

The school'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 Surrey County Council. Both are multi employee defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil were payable to the schemes at 31 August 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The next valuation of the TPS is currently under way and based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £282,000. 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.

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 year was £282,000 of which employer's contributions were £234,000 and employees' contributions were £48,000.

The agreed contribution rates are 28.6% per cent for employers and 6.5% per cent for employees.

Parliament has agreed, at the request of The Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

	At 31 August 2017	At 1 April 2017
Principal Actuarial Assumptions		
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions in payment/inflation	2.4%	2.4%
Discount rate for scheme liabilities	2.5%	2.7%
Expected return on assets	2.2%	2.2%

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

An allowance is included for future retirements to elect to take 50% of the maximum additional tax free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2017	Approximate % increase to defined benefit obligation	Approximate monetary amount £000
0.5% decrease to discount rate	15%	544
0.5% increase in the salary increase rate	3%	90
0.5% increase in the pension increase rate	12%	445

The return on the fund in market value terms for the period is estimated based on actual Fund Returns as provided by the Administering Authority and index returns where necessary as 2.2%.

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

	At 31 August 2017
Current pensioners	
Males	22.3
Females	24.5
Retiring in 20 years (aged 45 as at the last formal valuation date)	
Males	24.1
Females	26.4

The school's share of the assets and liabilities in the scheme are as follows:

	31 August 2017 £000
Equities	203
Bonds	29
Property	16
Cash	19
	<hr/>
Total market value of assets	267
Present value of funded scheme liabilities	(3,573)
	<hr/>
(Deficit) in the scheme	(3,306)
	<hr/> <hr/>

BRENT SPECIALIST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

24. PENSION AND OTHER POST-RETIREMENT BENEFITS (continued)

Amounts recognised in the statement of financial activities:

	Period to 31 August 2017 £000
Current service cost (net of employee contributions)	62
Employer contribution	<u>234</u>
Total operating charge	<u>296</u>

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

	2017 £000
At 1 April Obligation	(3,052)
Current service cost	(261)
Interest cost	(36)
Employee contributions	(48)
Benefits paid	20
Change in financial assumptions	(196)
	<hr/>
At 31 August 2017	(3,573)
	<hr/> <hr/>

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

	2017 £000
At 1 April 2017	-
Expected return on assets	-
Contributions by members	48
Contributions by employer	234
Benefits paid	(20)
Return on assets	4
	<hr/>
At 31 August 2017	267
	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31st August 2018 is £572,000.