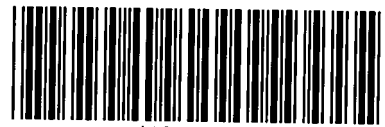


Company Registration No. 07715043 (England and Wales)

BROCKHILL PARK PERFORMING ARTS COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

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BROCKHILL PARK PERFORMING ARTS COLLEGE

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BROCKHILL PARK PERFORMING ARTS COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

B Landers
B Mullen* (Internal Auditor)
D Neilson*
F Dunworth
G Miles (appointed 13.03.19)
J Channer *
M Crofts (Resigned 30.09.19) *
M Herbert (Chair)
M Emptage (Vice Chair)
P Parnell
P Channer*
R Martin
S Warrilow
S Schwartz (Principal and Accounting Officer)*
A Tidmarsh (Resigned Jan 2019)
* Members of the Finance, Audit, Personnel and Premises Committee

Members

A Tidmarsh
B Landers
M Emptage
M Herbert
S Schwartz

Senior management team

Principal	S Schwartz
Senior Vice Principal	C Joseph
Assistant Principal	J Black
Assistant Principal	P Boston
Assistant Principal	B Travers
Assistant Principal	J Meurice
Assistant Principal	A Simpson
Assistant Principal	D Ashlee
Subject Leader Science	A Irvine
Subject Leader English	K Humphries
Subject Leader Maths	P Gaffney
Administrator	L Chilvers
Finance Manager	R Maycock

Company registration number 07715043 (England and Wales)

Registered office Sandling Road
Saltwood
Hythe, Kent CT21 4HL

Independent auditor Baxter & Co
Lynwood House
Crofton Road, Orpington Kent BR6 8QE

Clerk to Governors J Comber

Bankers Lloyds Bank plc
43 Sandgate Road
Folkestone CT20 1RZ

Solicitors Veale, Wasbrough and Vizards
Barnards Inn
86 Fetter Lane
London EC4A 1D

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Governors' Report, and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

The principal activity of Brockhill Park Performing Arts College is to provide a state education to boys/girls of different abilities between the ages of 11 to 18. It has student capacity of 1384 and had a roll of 1369 in the school census in June 2019. Funding is obtained from the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 07715043) 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 Brockhill Park Performing Arts College are also the Directors of the charitable company for the purposes of company law and they are the Governors of the Academy. The charitable company is known as Brockhill Park Performing Arts College.

Details of the Trustees who served during the year are included in the Reference and Administrative Details included on page 1 at the front of these accounts.

Members' liability

Brockhill Park Performing Arts College is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member. The Academy is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Trustees' Indemnities

The trust has not given any indemnity in respect of any of its trustees.

Method of recruitment and appointment or election of trustees

Governors are recruited and appointed when a vacancy arises. This process will take place through a public ballot where necessary.

The Governing Body comprises the following 14 Governors;

- Nine Governors appointed by the Members;
- Two Staff Governors elected by the staff;
- Two Parent Governors elected by parents;
- The Principal is an ex-officio Governor;

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training in charity and educational legal and financial matters. All Governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Governors.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Board of Governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least four times a year and has two committees; Finance Audit, Personnel and Premises Committee and a Curriculum and Community Committee. Both Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its Committees, the activities of which are reported to and discussed at full Governing Body Meetings. Day to day management of the Academy is undertaken by the Principal, supported by the College Leadership Team (CLT).

Arrangements for setting pay and remuneration of key management personnel

The CLT are the key management personnel of the trust. The Principal is also a Trustee although she receives no pay or other remuneration in respect of her role as trustee. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Principal is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other CLT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Principal.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£ 0
Total Pay bill	£ 0
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

- Brockhill is the Banker School for the Hythe Hub Primary initiative; a group of six local schools who work together to improve the life-chances of all the students in the area.
- Related Party transactions are shown in the relevant note of the accounts.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The Academy Trust's objects ("the Objects") are as follows:

- a) to advance for the public benefit 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 ("the Academy"); and
- b) to promote for the benefit of the inhabitants of Saltwood and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

Objectives, strategies and activities

Objectives for the year are summarised below:

2019 -20			
	Target	Success Criteria	Monitoring and Evaluation
Raising Achievement	Most students meet expected outcomes. Literacy and Numeracy embedded across the whole school · In school variation between subjects reduced HA student outcomes are in line with the rest of the school.	Teacher assessment and external examination results All subjects effectively use Literacy and Numeracy in lessons where appropriate.	School Self Review (SSR) Line Management Monitoring Subject leaders use analysis to address changes
Teaching	Increase the proportion of good to outstanding lessons to 95%. Teachers share good practice. Homework always set and evaluated. Work set according to students' needs and abilities · Language for Learning further developed · Further enhance teaching through teacher training	SSR proves that 95% of lessons are good to outstanding Students engaged in research and learning In school variation showing a marked decrease	Reviews (SSR) Students' outcomes and targets met Staff Appraisal
Behaviour and Safety	Use data effectively to target and support vulnerable students, PP students as well as HA Embed student voice and engagement · Ensure that the curriculum meets the needs of students whilst adhering to national trends Safeguarding practices being embedded	Improved Attendance Reduction of exclusions Reduced on-calls Reduced Parental Complaints	D team meetings Student questionnaires and interviews
Leadership and Management	Further develop subject leaders through CPD and accountability · Further develop Primary School Links Ensure teaching succession through ITT and Middle Leader programmes · Effectively develop and manage the needs of the site · Embed outstanding governance	Strong subject leadership and sharing of the school vision CPD effective	Reviews (SSR) Governor minutes CLT minutes Staff retention and succession effective.

Public benefit

In setting the objectives and planning the associated activities, Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Employee Involvement

Academy staff is empowered to elect colleagues to sit and serve as Governors.

Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the newer areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Strategic report

Achievements and performance

Key Stage 4 (GCSE)

	2015	2016	2017	2018	2019
% Grade 5+9-4 (inc. English/Maths)	44	46	50	43	44
% Grade 9-4 in English	65	61	54	71	70
% Grade 9-4 (A*-C) in mathematics	60	53	54	46	56
% Grade 9-4	NA	NA	NA	50	50
Attainment 8	NA	45.9	37.3	38.8	39.7
Progress 8	NA	-0.09	-0.15	-0.31	-0.33
% Entered the EBACC	36	33	30	32	41
% Passing the EBACC	5	12	10	12.3	9.30

Key Stage 5 (A Level)

No of A Level Passes	2015	2016	2017	2018	2019
%1+	100	97	97	96	100
%2+	94	84	84	89	99
%3+	61	48	70	62	62
%A* - B	39	40	37	32	22
%A* - C	67	65	66	61	52
APS per entry	NA	NA	21.8	21.1	23.6
APS per student (Academic)	NA	NA	21.9	21.2	22.4
APS per student (Vocational)	NA	NA	43.3	30.3	23

Attendance

Year Group	% 14/15	% 15/16	% 16/17	% 17/18	% 18/19
7	94.6	95.65	94.8	93.5	95.4
8	94.2	93.8	93.9	93.5	91.9
9	92.7	93.25	93.1	91.9	92.1
10	92.9	93.6	93.1	92.4	89.3
11	93.9	94.3	92.9	92.8	92.5
12	90	91.3	88.2	80	83.8
13	87.5	78.6	84.3	71	77.2
Total	92.2	95.05	92.5	90.9	88.8
Y7-11	93.48	94.15	93.5	93	92.3

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Student Numbers

Year	Sept 2009	Sept 2010	Sept 2011	Sept 2012	Sept 2013	Sept 2014	Sept 2015	Sept 2106	Sept 2017	Sept 2018	Sept 2019
7	221	231	233	217	209	225	248	273	279	250	256
8	172	222	231	228	211	206	221	247	275	271	241
9	178	181	220	224	228	208	204	226	236	268	255
10	188	185	184	216	219	229	210	213	220	236	259
11	228	192	185	182	212	212	230	203	209	219	230
12	120	150	124	106	110	119	127	96	84	99	87
13	69	73	84	86	84	76	71	97	74	67	85
14	NA	NA	NA	6	8	11	8	0	3	NA	NA
Total	1176	1234	1261	1265	1281	1286	1319	1355	1380	1410	1413

OFSTED Rating

Good in all areas in May 2016

Key performance indicators

- Student outcomes are good. At GCSE students performed well with 50% achieving Maths and English at a pass whilst the Kent average was 43% in 2018 in non-selective. At A level student outcomes have been good with increased APE.
- The school is financially sound but will need to continue to monitor and manage an in-year deficit.
- No key financial performance indicators have been set by the Governors, beyond the requirement that the financial position should remain sufficient to fund future needs.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 accounts.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other Government Grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spensible funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2019 £'000	2018 £'000
GAG	Restricted General Funds	400	108
Other DfE/ESFA/LA Grants	Restricted General Funds	15	226
Other Income	Restricted General Funds	60	25
	Sub-total General Restricted Funds	475	359
Unspent Capital Grants	Restricted Fixed Asset Fund	98	796
Other Income	Unrestricted General Fund	60	61
	Sub-Total Spendable Funds	633	1,216
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	16,101	15,431
Share of LGPS Deficit	Restricted Pension Reserve	(2,653)	(1,740)
	Total All Funds	14,081	14,907

During the year under review, there was a surplus / (deficit) of £116k (2018: (226)k) on general restricted funds, a surplus / (deficit) of £(1k) (2018: £20k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus/ (deficit) for the year of £(827k) (2018: £55k).

Reserves policy

Setting of Reserves

The Governing Body will set the level of reserves annually. This will be informed by:-

- its forecasts for levels of income for the current and future years, taking into account the reliability of each source of income
- its forecasts for expenditure for the current and future years on the basis of planned activity;
- its analysis of any future needs, opportunities, commitments or risks, where future income alone is unlikely to be able to meet anticipated costs
- its assessment, on the best evidence reasonably available, of the likelihood of each of those needs that justify having reserves arising and the potential consequences for the academy of not being able to meet

Monitoring of Reserves

The level of reserves will be monitored throughout the year as part of the normal monitoring and budgetary reporting processes to:-

- identify when reserves are drawn on, the reasons and any corrective action, if any, that needs to be taken
- identify when reserve levels rise or fall significantly above or below target, the reasons and any corrective action, if any, that needs to be taken
- ensure that the reserves policy continues to be relevant as the academy develops or brings on board new activities
- review the statement on reserves in the trustees' annual report where there have been significant changes in the reserves policy or level of reserves held

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Reserve Levels

The Governing Body believes that the funding received in any one year should be used to support the students on roll at the time unless there is a specific project which will require the accumulation of funding over more than one year. Although the limits are no longer mandatory, the Governing Body considers the unspent GAG limits previously set by the ESFA of 12% of General Annual Grant funding in any one financial year to be prudent, of which 2% is unrestricted and 10% for capital purposes. This will be treated as follows:

- to meet maternity or redundancy costs etc. With the right to transfer unused funds during the summer term to meet building or other resource needs
- to meet any urgent unforeseen expenditure i.e. emergency repairs to buildings pending insurance claim

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare. The Governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by Governors. The major risks to which the academy trust is exposed are:

- Closure due to fall in student numbers
- Closure due to examination outcomes
- The academy falling into financial deficit

Procedures to mitigate these risks:

- Academy heavily oversubscribed in 2019 with over 800 students applying for 235 places, Open Evenings are advertised in local papers and at Primary Schools and the school had approx. 2800 visitors at a recent Open Evening. Hence the expectation is that the school will continue to remain oversubscribed.
- Examination outcomes and risks are closely monitored by CLT and external reviewers. Students are tracked closely to ensure that they make progress.
- Weekly monitoring of expenditure is undertaken by senior team and reported termly to the Finance Committee.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Our fundraising practices

Brockhill Park does not engage in large scale fundraising apart from for a few charities the student council decides to support annually. The Academy organises fundraising events and appeals and co-ordinate the activities of our supporters both in the school and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year. The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is only to parents and is made through email, academy newsletters, our website and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Plans for future periods

The Board of Governors have a strategic school development plan in place for 2018 to 2021. This includes detailed plans to:

- **continue to raise achievement and attainment in KS3, 4 and 5** and ensure that all students make rapid and sustained progress by:
 - accelerating the steps being taken to promote literacy and numeracy
 - setting work that closely matches the students' needs
- ensure that **teaching** in all key stages and all subjects is **outstanding** and never less than good by:
 - identifying and sharing the most effective practice
 - ensuring that student work receives regular feedback and precise guidance on how to improve
 - emphasising Performance and Presentation
 - using technology
- develop a learning community where all students contribute to a **safe** and positive learning experience for all by:
 - expanding student voice
 - engaging parents and extending the school into the community
- build capacity and sustainability in **leadership and management** to promote lifelong learning throughout the school and so meet the need for flexible, committed workers participating where appropriate in collaboration with partners

As a **specialist school in performing arts with the rural dimension** we will develop:

- a creative learning agenda which permeates all subject areas
- strong and useful community links at local, regional, national and international level

Funds Held as Custodian Trustee on Behalf of Others

The academy trust does not hold any funds as custodian trustee with the exception of those held on behalf of third parties under agency arrangements which is disclosed more fully in note 24 to the financial statements.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

In so far as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 27 November 2019 and signed on the board's behalf by:



.....
M Herbert
Chair of Governors

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Brockhill Park Performing Arts College 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 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 Brockhill Park Performing Arts College and the Secretary of State for Education. The Accounting Officer is 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 4 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of a possible
A Tidmarsh	0	2
B Landers	1	4
B Mullen (Internal Auditor)	3	4
D Neilson	2	4
F Dunworth	1	4
G Miles	1	2
J Channer	2	4
M Crofts	3	4
M Emptage (Vice Chair)	4	4
M Herbert (Chair)	4	4
P Channer	2	4
P Parnell	2	4
R Martin	4	4
S Schwartz (Principal and Accounting Officer)	4	4
S Warrilow	3	4

Governance Reviews

Each Governor completed a self-evaluation form regarding the impact and effectiveness of governance and the results were discussed at the Full Governing Body meeting. Overall, the Governors deemed the Governing Body to be effective and good in most areas.

The Finance, Audit, Personnel and Premises Committee is a sub-committee of the main Board of Governors. Its primary purpose is to advise the full governing body and monitor compliance with policies in the areas of finance (including budget monitoring), premises (including maintenance) and personnel. The Board of Governors have decided that this committee will also assume the role and functions of an audit committee, including responsibility for the process of financial risk management.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance during the year at meetings of the Committee was as follows:

Governors	Meetings attended	Out of a possible
B Landers	1	3
B Mullen (Internal Auditor)	2	3
D Neilson	3	3
J Channer	3	3
M Herbert	1	3
M Crofts (Chair)	2	3
P Channer	2	3
S Schwartz (Principal and Accounting Officer)	3	3
Roger Martin	3	3
Jacki Smith (Finance Manager / non-governor)	3	3
Charles Joseph (Vice Principal – Associate Trustee)	3	3

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.

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

- The allocation of resources to best promote the aims and values of the Academy.
- The targeting of resources to best improve standards and the quality of provision.
- The uses of resources to best support the various educational needs of all students.
- Regularly reviewing the functions of the Academy, challenging how and why services are provided and setting targets for performance and for improvement;
- Monitoring outcomes and comparing performance with similar establishments and monitoring our own financial progress, particularly with regards to staffing costs and pupil teacher ratios.
- Consulting appropriate stakeholders before major decisions are made; and
- Promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way possible as stated in the Academies Financial Handbook and our internal finance manual.
- We strive to ensure that the Academy is using its resources effectively to meet the needs of its students and improve educational outcomes for students.

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 Brockhill Park Performing Arts College for the year ended 31 August 2019 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 trust 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 trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

BROCKHILL PARK PERFORMING ARTS COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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 Governors;
- regular reviews by the Finance, Audit, Personnel and Premises 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 Governors has considered the need for a specific internal audit function and has decided to appoint an internal auditor. B Mullen, a Governor, continued to serve as Internal Auditor (IA).

The IA's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the IA reports to the Board of Governors, through the Finance, Audit, Personnel and Premises Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The Internal Auditor visited 3 times during the year. Checks carried out included

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of accounting systems

The Governing Body are satisfied that the IA function has been effective. No material control issues have been notified to Governors as a result of the IA's work.

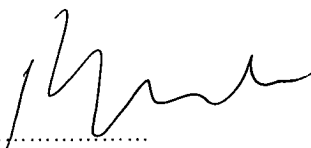
Review of effectiveness

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

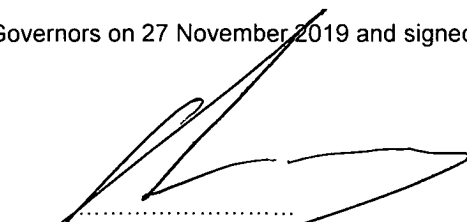
- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit, Personnel and Premises 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 Governors on 27 November 2019 and signed on its behalf by:



.....
M Herbert
Chair of Governors


.....
S Schwartz
Principal and Accounting Officer

BROCKHILL PARK PERFORMING ARTS COLLEGE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Brockhill Park Performing Arts College I have considered my responsibility to notify the Academy Trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2018.

I confirm that I and the Academy Trust's Board of Governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.



S Schwartz
Accounting Officer

27 November 2019

BROCKHILL PARK PERFORMING ARTS COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who act as Trustees for Brockhill Park Performing Arts College and are also the Directors of Brockhill Park Performing Arts College for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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 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 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

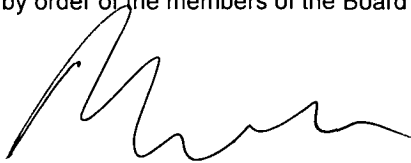
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements 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 Governors 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 that grants received from 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 members of the Board of Governors on 27 November 2019 and signed on its behalf by:

M Herbert
Chair of Governors



BROCKHILL PARK PERFORMING ARTS COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROCKHILL PARK PERFORMING ARTS COLLEGE

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the Financial Statements of Brockhill Park Performing Arts College for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Governors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Governors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

BROCKHILL PARK PERFORMING ARTS COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROCKHILL PARK PERFORMING ARTS COLLEGE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions 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 including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Governors' Report including the incorporated Strategic Report have 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the Governors 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BROCKHILL PARK PERFORMING ARTS COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROCKHILL PARK PERFORMING ARTS COLLEGE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 3 December 2019

BROCKHILL PARK PERFORMING ARTS COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROCKHILL PARK PERFORMING ARTS COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 2 November 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brockhill Park Performing Arts College during the period 1 September 2018 to 31 August 2019 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 Brockhill Park Performing Arts College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Brockhill Park Performing Arts College 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 Brockhill Park Performing Arts College and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Brockhill Park Performing Arts College's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Brockhill Park Performing Arts College's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
 - Review of payments to suppliers and other third parties;
 - Review of grant and other income streams;
 - Review of some key financial control procedures;
 - Discussions with finance staff;
 - Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
 - Consideration of the programme of risk review and checking of financial controls implemented by the Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.
-

BROCKHILL PARK PERFORMING ARTS COLLEGE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROCKHILL PARK PERFORMING ARTS COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 3 December 2019

BROCKHILL PARK PERFORMING ARTS COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	1	-	285	286	869
Charitable activities:						
- Funding for educational operations	4	-	7,203	-	7,203	6,994
Other trading activities	5	21	-	-	21	18
Investments	6	1	-	-	1	1
Total		<u>23</u>	<u>7,203</u>	<u>285</u>	<u>7,511</u>	<u>7,882</u>
Expenditure on:						
Raising funds	7	-	42	-	42	47
Charitable activities:						
- Educational operations	8	4	7,251	313	7,568	7,780
Total	7	<u>4</u>	<u>7,293</u>	<u>313</u>	<u>7,610</u>	<u>7,827</u>
Net income/(expenditure)		19	(90)	(28)	(99)	55
Transfers between funds	16	(20)	20	-	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(727)	-	(727)	519
Net movement in funds		(1)	(797)	(28)	(826)	574
Reconciliation of funds						
Total funds brought forward		61	(1,381)	16,227	14,907	14,333
Total funds carried forward		<u>60</u>	<u>(2,178)</u>	<u>16,199</u>	<u>14,081</u>	<u>14,907</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

**SUPPLEMENTARY NOTE:
COMPARATIVE INFORMATION FOR THE
YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	17	-	852	869
Charitable activities:					
- Funding for educational operations	4	-	6,994	-	6,994
Other trading activities	5	18	-	-	18
Investments	6	1	-	-	1
Total		<u>36</u>	<u>6,994</u>	<u>852</u>	<u>7,882</u>
Expenditure on:					
Raising funds	7	16	31	-	47
Charitable activities:					
- Educational operations	8	-	7,427	353	7,780
Total	7	<u>16</u>	<u>7,458</u>	<u>353</u>	<u>7,827</u>
Net income/(expenditure)		20	(464)	499	55
Transfers between funds	16	-	(31)	31	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	519	-	519
Net movement in funds		20	24	530	574
Reconciliation of funds					
Total funds brought forward		<u>41</u>	<u>(1,405)</u>	<u>15,697</u>	<u>14,333</u>
Total funds carried forward		<u>61</u>	<u>(1,381)</u>	<u>16,227</u>	<u>14,907</u>

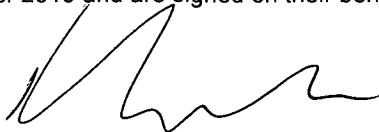
BROCKHILL PARK PERFORMING ARTS COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		16,101		15,431
Current assets					
Debtors	13	327		580	
Cash at bank and in hand		872		744	
		<u>1,199</u>		<u>1,324</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(566)		(108)	
Net current assets			633		1,216
Net assets excluding pension liability			16,734		16,647
Defined benefit pension scheme liability	18		(2,653)		(1,740)
Total net assets			<u>14,081</u>		<u>14,907</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			16,199		16,227
- Restricted income funds			475		359
- Pension reserve			(2,653)		(1,740)
Total restricted funds			<u>14,021</u>		<u>14,846</u>
Unrestricted income funds	16		60		61
Total funds			<u>14,081</u>		<u>14,907</u>

The Financial Statements on pages 21 to 43 were approved by the Governors and authorised for issue on 27 November 2019 and are signed on their behalf by:



M Herbert
Chair of Governors

Company Number 07715043

BROCKHILL PARK PERFORMING ARTS COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		825		(751)
Cash flows from investing activities					
Dividends, interest and rents from investments		1		1	
Capital grants from DfE Group		285		852	
Purchase of tangible fixed assets		(983)		(59)	
Net cash (used in)/provided by investing activities			<u>(697)</u>		<u>794</u>
Net increase in cash and cash equivalents in the reporting period			128		43
Cash and cash equivalents at beginning of the year			<u>744</u>		<u>701</u>
Cash and cash equivalents at end of the year			<u>872</u>		<u>744</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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.

1.1 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 Financial Statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Brockhill Park Performing Arts College meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors 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 charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 Income

All 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 period 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.

Sponsorship income

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

Donations

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

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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.

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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

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 Financial Statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Brockhill Park Performing Arts College meets the definition of a public benefit entity under FRS 102.

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 that require 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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:

Freehold land and buildings	50 Years Straight Line
Computer equipment	3 Years Straight Line
Fixtures, fittings & equipment	15 Years Straight Line
Motor vehicles	3 Years Straight Line

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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.

Cash at bank is classified as a basic financial instrument and is measured at face value.

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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.

1.9 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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.

1.11 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 Governors.

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

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.

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.12 Agency arrangements

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 24.

2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2019. 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.

Critical areas of judgement

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	285	285	852
Other donations	1	-	1	17
	<u>1</u>	<u>285</u>	<u>286</u>	<u>869</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	6,433	6,433	6,253
Other DfE group grants	-	453	453	376
	-	6,886	6,886	6,629
Other government grants				
Local authority grants	-	71	71	115
Other funding				
Voluntary Fund	-	159	159	177
Other incoming resources	-	87	87	73
	-	246	246	250
Total funding	-	7,203	7,203	6,994

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	5	-	5	2
Shop and Farm Income	16	-	16	16
	21	-	21	18

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	1	-	1	1

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	-	-	42	42	47
Academy's educational operations					
- Direct costs	4,860	251	739	5,850	5,947
- Allocated support costs	670	715	333	1,718	1,833
	<u>5,530</u>	<u>966</u>	<u>1,114</u>	<u>7,610</u>	<u>7,827</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	8	9
- Other services	7	5
Operating lease rentals	7	59
Depreciation of tangible fixed assets	313	320
Net interest on defined benefit pension liability	44	51
	<u>379</u>	<u>354</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	4	5,846	5,850	5,947
Support costs				
Educational operations	-	1,718	1,718	1,833
	<u>4</u>	<u>7,564</u>	<u>7,568</u>	<u>7,780</u>
Analysis of costs			2019	2018
			£'000	£'000
Direct costs				
Teaching and educational support staff costs			4,860	4,874
Staff development			94	61
Depreciation			251	257
Technology costs			101	173
Educational supplies and services			132	153
Examination fees			157	165
Educational consultancy			94	78
Other direct costs			161	186
			<u>5,850</u>	<u>5,947</u>
Support costs				
Support staff costs			528	525
Defined benefit pension scheme - staff costs (FRS102 adjustment)			142	187
Depreciation			62	63
Maintenance of premises and equipment			173	240
Cleaning			165	141
Energy costs			126	104
Rent, rates and other occupancy costs			99	145
Insurance			30	37
Security and transport			67	61
Catering			81	72
Defined benefit pension scheme - finance costs (FRS102 adjustment)			44	51
Other support costs			128	130
Governance costs			73	77
			<u>1,718</u>	<u>1,833</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£'000	£'000
Wages and salaries	4,235	4,191
Social security costs	423	410
Pension costs	701	692
Defined benefit pension scheme - staff costs (FRS102 adjustment)	142	187
	<u>5,501</u>	<u>5,480</u>
Amounts paid to employees	5,501	5,480
Agency staff costs	17	91
Staff restructuring costs	12	15
	<u>5,530</u>	<u>5,586</u>
Total staff expenditure	<u>5,530</u>	<u>5,586</u>
Staff restructuring costs comprise:		
Severance payments	<u>12</u>	<u>15</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £12,221 (2018: £nil - all contractual).

Staff numbers

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

	2019	2018
	Number	Number
Teachers	87	86
Administration and support	67	62
Management	14	13
	<u>168</u>	<u>161</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019	2018
	Number	Number
Teachers	83	78
Administration and support	44	48
Management	14	13
	<u>141</u>	<u>139</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	2	3
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,123,455 (2018: £989,405).

10 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has 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, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

S Schwartz (Principal):

- Remuneration £110,000 - £115,000 (2018: £110,000 - £115,000)
- Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

P Young (Staff Governor, Resigned July 18):

- Remuneration £Nil (2018: £60,000 - £65,000)
- Employer's pension contributions £Nil (2018: £10,000 - £15,000)

M Crofts (Staff Governor):

- Remuneration £35,000 - £40,000 (2018: £35,000 - £40,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £0 - £5,000)

During the year, expenses payments totalling £1,910 (2018: £444) were reimbursed or paid directly to 2 Governors (2018: 4 Governors).

Other related party transactions involving the Governors are set out within the related parties note.

11 Governors and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £5,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2018	16,962	186	135	25	17,308
Additions	983	-	-	-	983
At 31 August 2019	17,945	186	135	25	18,291
Depreciation					
At 1 September 2018	1,650	173	33	21	1,877
Charge for the year	290	11	9	3	313
At 31 August 2019	1,940	184	42	24	2,190
Net book value					
At 31 August 2019	16,005	2	93	1	16,101
At 31 August 2018	15,312	13	102	4	15,431

Freehold land is included above at its net book value of £2,456k.

13 Debtors

	2019 £'000	2018 £'000
VAT recoverable	117	37
Other debtors	-	15
Prepayments and accrued income	210	528
	327	580

14 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	512	47
Other creditors	3	3
Accruals and deferred income	51	58
	566	108

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Deferred income	2019 £'000	2018 £'000
Deferred income is included within:		
Creditors due within one year	33	48
Deferred income at 1 September 2018	48	34
Released from previous years	(48)	(34)
Resources deferred in the year	33	48
Deferred income at 31 August 2019	33	48

Deferred income relates to trips and activities in the Voluntary Funds that are due to take place in the next financial year of £25k (2018: £24k), deferral of unspent bursary grant £8k (2018: £nil) and rates grant income received in advance of £nil (2018: £24k).

16 Funds	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	108	6,433	(6,141)	-	400
Other DfE / ESFA grants	51	141	(192)	-	-
Pupil premium	-	312	(312)	-	-
Other government grants	175	71	(231)	-	15
Other restricted funds	25	246	(231)	20	60
Pension reserve	(1,740)	-	(186)	(727)	(2,653)
	<u>(1,381)</u>	<u>7,203</u>	<u>(7,293)</u>	<u>(707)</u>	<u>(2,178)</u>
Restricted fixed asset funds					
Inherited on conversion	13,182	-	(244)	-	12,938
DfE group capital grants	1,951	285	(25)	-	2,211
Capital expenditure from GAG and other funds	1,094	-	(44)	-	1,050
	<u>16,227</u>	<u>285</u>	<u>(313)</u>	<u>-</u>	<u>16,199</u>
Total restricted funds	<u>14,846</u>	<u>7,488</u>	<u>(7,606)</u>	<u>(707)</u>	<u>14,021</u>
Unrestricted funds					
General funds	61	23	(4)	(20)	60
Total funds	<u>14,907</u>	<u>7,511</u>	<u>(7,610)</u>	<u>(727)</u>	<u>14,081</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	136	6,253	(6,250)	(31)	108
Other DfE / ESFA grants	198	72	(270)	-	-
Pupil premium	-	304	(253)	-	51
Other government grants	229	115	(169)	-	175
Other restricted funds	53	250	(278)	-	25
Pension reserve	(2,021)	-	(238)	519	(1,740)
	<u>(1,405)</u>	<u>6,994</u>	<u>(7,458)</u>	<u>488</u>	<u>(1,381)</u>
Restricted fixed asset funds					
Transfer on conversion	13,426	-	(244)	-	13,182
DfE group capital grants	1,156	852	(57)	-	1,951
Capital expenditure from GAG and other funds	1,115	-	(52)	31	1,094
	<u>15,697</u>	<u>852</u>	<u>(353)</u>	<u>31</u>	<u>16,227</u>
Total restricted funds	<u>14,292</u>	<u>7,846</u>	<u>(7,811)</u>	<u>519</u>	<u>14,846</u>
Unrestricted funds					
General funds	41	36	(16)	-	61
Total funds	<u>14,333</u>	<u>7,882</u>	<u>(7,827)</u>	<u>519</u>	<u>14,907</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds £'000	General £'000	Fixed asset £'000	Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	16,101	16,101
Current assets	60	1,041	98	1,199
Creditors falling due within one year	-	(566)	-	(566)
Defined benefit pension liability	-	(2,653)	-	(2,653)
Total net assets	60	(2,178)	16,199	14,081

	Unrestricted	Restricted funds:		Total
	Funds £'000	General £'000	Fixed asset £'000	Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	15,431	15,431
Current assets	61	467	796	1,324
Creditors falling due within one year	-	(108)	-	(108)
Defined benefit pension liability	-	(1,740)	-	(1,740)
Total net assets	61	(1,381)	16,227	14,907

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

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
- 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 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 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £538k (2018: £512k).

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 an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.1% for employers and a range between 5.5% - 12.5% for employees.

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	163	170
Employees' contributions	49	50
Total contributions	<u>212</u>	<u>220</u>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

	2019 Years	2018 Years
Retiring today		
- Males	23.2	23.1
- Females	25.3	25.2
Retiring in 20 years		
- Males	25.4	25.3
- Females	27.6	27.5

Sensitivity Analysis

Scheme liabilities have been valued at £5,659k (2018: £4,573k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £5,535k (2018: £4,474k).

If the discount rate used were to decrease by 0.1%, liabilities would be measured at £5,786k (2018: £4,674k).

If the life expectancy were to increase by a year, liabilities would be measured at £5,882k (2018: £4,726k).

If the life expectancy were to decrease by a year, liabilities would be measured at £5,445k (2018: £4,425k).

Defined benefit pension scheme net liability

Scheme assets	3,006	2,833
Scheme obligations	(5,659)	(4,573)
Net liability	(2,653)	(1,740)

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	2,049	1,930
Other Bonds	271	252
Gilts	22	22
Property	350	350
Other assets	314	279
	<hr/>	<hr/>
Total market value of assets	3,006	2,833
	<hr/>	<hr/>

The actual return on scheme assets was £128,000 (2018: £115,000).

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	305	357
Interest income	(76)	(68)
Interest cost	120	119
	<hr/>	<hr/>
Total operating charge	349	408
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	4,573
Current service cost	304
Interest cost	120
Employee contributions	49
Actuarial loss/(gain)	780
Benefits paid	(167)
	<hr/>
At 31 August 2019	5,659
	<hr/>

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

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

	2019
	£'000
At 1 September 2018	2,833
Interest income	75
Actuarial gain	53
Employer contributions	163
Employee contributions	49
Benefits paid	(167)
	<u>3,006</u>
At 31 August 2019	<u>3,006</u>

19 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019	2018
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(99)	55
Adjusted for:		
Capital grants from DfE and other capital income	(285)	(852)
Investment income receivable	(1)	(1)
Defined benefit pension costs less contributions payable	142	187
Defined benefit pension scheme finance cost	44	51
Depreciation of tangible fixed assets	313	320
Decrease/(increase) in debtors	253	(437)
Increase/(decrease) in creditors	458	(74)
	<u>825</u>	<u>(751)</u>
Net cash provided by/(used in) operating activities	<u>825</u>	<u>(751)</u>

20 Capital commitments

	2019	2018
	£'000	£'000
Expenditure contracted for but not provided in the Financial Statements	<u>47</u>	<u>818</u>

The Academy Trust was committed to a P.E. Block project as at 31 August 2019 with anticipated future costs to completion of £nil (2018: £818k).

The Academy Trust was also committed to a Roofing project as at 31 August 2019 with anticipated future costs to completion of £47k (2018: £nil).

BROCKHILL PARK PERFORMING ARTS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Related party transactions

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

The following related party transactions took place in the period of account.

Brockhill Park School Young Farmers Club ("the charity") - Charity Number: 1084623 is a related party by virtue of S Schwartz (Director and Principal at the academy) and C Joseph (Vice Principal at the academy) also being trustees of the charity. During the period, expenditure of £11,781 (2018: £2,130) was incurred on behalf of the charity and reimbursements of £11,622 (2018: £2,130) were received from it. There were no amounts outstanding at 31 August 2019 (2018: £nil).

In entering into the above transactions the academy has complied with the requirements of ESFA's Academies Financial Handbook 2018.

22 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	16	-
Amounts due in two and five years	9	-
	<u>25</u>	<u>-</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 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust received £17k (2018: £21k) and disbursed £9k (2018: £21k) from the fund. A creditor of £8k (2018: £nil) is included within deferred income.

The Academy Trust also distributes Schools Direct funding received from the National College for Teaching and Leadership. In the period ending 31 August 2019 the Trust received £199k (2018: £107k) and disbursed £199k (2018: £122k) from the fund.