

By Brook Valley Academy Trust

**By Brook Valley Academy Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year Ended 31<sup>st</sup> August 2016**

**Company Registration Number  
8020467 (England and Wales)**

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**By Brook Valley Academy Trust Ltd**

**Reference and Administrative Details**

**Governors/Directors**

<b>Governors</b>	<b>Appointed</b>	<b>Left</b>
Bev Ball (Headteacher and accounting officer) *	04/04/2012	
Ian Banister (Chairman) *	12/09/2013	
Anton Campbell	19/03/2015	
Carrie Davies	19/09/2016	
Chris Draper	17/11/2014	17/09/2015
David Else	27/11/2014	14/07/2016
Keith Ernest *	27/11/2014	
Elisabeth Ford	27/11/2014	
Deb Henshall (staff governor)	04/04/2012	22/09/2016
Anne Hilton	27/11/2014	
Joanne Jardim (staff governor)*	16/07/2015	
Lynne Lawton *	27/11/2014	
Martin Lowe *	17/11/2014	
David New	27/11/2014	
Lisa Nicolson	26/11/2015	
Jonathan Philpott	27/11/2014	14/07/2016
Andrew Wylie	14/05/2016	

\* indicates those who are members of the finance and premises committee

**Members**

All governors/directors are members. In addition the following were also members:

The Diocese of Bristol Academies Company

**Company Secretary** E Tyler

**Senior Management Team**

Headteacher	B Ball
Deputy Headteacher	D Henshall
Deputy Headteacher	J Jardim
School Manager	E Dadd

**Principal and Registered Office** By Brook Valley C of E Primary School  
The Street  
Yatton Keynell  
Chippenham  
Wiltshire  
SN14 7BA

**Company Registration Number** 8020467 (England and Wales)

**Independent Auditor** Monahans  
38-42 Newport Street  
Swindon  
SN1 3DR

**Solicitors** Blake Morgan LLP  
Seacourt Tower  
West Way  
Oxford  
OX2 0FB

## CHAIRMAN'S STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> AUGUST 2016

We began the 2015-16 school year with a different operating model at By Brook Valley as the governors had agreed for our headteacher Mrs Ball to be seconded for one year to Sherston C of E Primary school as their executive headteacher on a fifty/fifty time sharing basis with By Brook Valley. The governors made the decision with the full confidence that in Mrs Ball's absence the deputy heads would be able to step up and confidently lead the school during the year.

The trustees and governors would like to thank Mrs Ball, Mrs Jardim and Mrs Henshall for the considerable time and effort they put into ensuring that the children, parents and staff were not unduly impacted by the change in the leadership of the school.

I have now completed three years as chair and over that time have seen the leadership of the school continue to develop, a higher proportion of teaching standards measured as outstanding and the governing body have continued to increase their knowledge and have more presence in the school. All of this enhances the fantastic experience that the children have during their time at By Brook Valley.

As in my previous reports I have set out below the impact I believe By Brook Valley has had on our stakeholders, starting with the most important group:-

### **The Children**

By Brook Valley is for the children, which is where the hard work pays off. Every year I attend the year 6 leaver's service where the children share their experiences of By Brook Valley. You can tell by the way they share their stories that they have as a group and as individuals enjoyed their experience and are underpinned by the strong values of the school. As you listen to them you are struck by their maturity and confidence knowing that the work done by the whole school community leaves them well set for the next stage in their lives.

In my many visits into school I am always delighted to see the children completely engaged in what they are doing, with a smile on their face and with respect for each other. That's down to the hard work of staff and parents who are supporting their children at every stage of their development.

### **The Staff**

As I have said in an earlier part of this report, the change of leadership responsibility did not have any undue impact on the school which is down to good leadership and the imbedding of processes such as MaD to support the whole teaching staff in their continuing development. It was excellent to hear from Mrs Ball in her final Headteacher's report of last year that the SIAP target of 100% of good teaching with at least 50% outstanding was exceeded.

I would also like to mention the office team led by Emma Dadd, their hard work and diligence often goes unseen but without them working hard every day, the school would not function.

The governors wish to put on record how much they appreciate the time and energy spent by the whole staff in providing a rounded educational experience to the children.

## **The Parents**

As in previous years the FoBBVS team led by Mrs Tracey Goodall have delivered some great events and through the money they have raised the school continues to benefit in terms of new equipment and event funding. This year the money raised helped to fund a much needed new EYFS playground and Maths garden and it was interesting to note that the end of year report from FoBBVS stated that by the end of the 2017 school year they will have raised in excess of £100,000 for the school over the life of the school, certainly a reason to celebrate!

The governors would like to thank Mrs Tracey Goodall and her team for all their great work in 2016.

I continue to receive feedback from parents saying that they are delighted to see the governors in and around school. However I am concerned that a significant number of parents do not understand the role of a governor and how they as parents can really assist the school in providing the best experience for their children. As part of this year's governor action plan I hope that we can help our parents learn about how they can help the school and benefit the children.

## **The Governors**

During the course of the year the governors had an away day to understand more about what the future could be for By Brook Valley in this ever-changing educational environment. They listened to various speakers from a teaching school, Wiltshire council and the diocese allowing the governors to consider the various options available to the school. During 2017 those options will be considered and debated so that by the end of the year the strategy for the school is clear to all the stakeholders.

I wrote last year about the importance of succession planning and this continues to one of my particular areas of focus with only 14 governors at present on the governing body. I will also be standing down as chair at the end of this school year and, as such, a chair designate position has been created to allow the next chair to understand what's required in the role.

The governors have gained a further 12 months' experience and are now as a group are taking a more active part in meetings. The governor sub-groups worked very well again and each group successfully completed their action plans during the course of the year.

Finally I would like to thank Lynne Lawton for her work and support this year as vice chair and I look forward to working with her again during the next school year. I would also like to thank David Else and Jonathan Philpott who have stepped down as governors for all their work and support whilst on the governing body.

## **The Trust**

We enter 2016-17 with the school in a strong financial position and with the numbers of children in school remaining around 197, we continue to be able to provide the children of By Brook Valley with the facilities and resources that they need to be given the best possible education.

The next few years will continue to be challenging with an ever-changing education environment and potentially reduced funds. The trustees and governors recognise the need to always look forward and keep By Brook Valley at the forefront of education in the local area.

By Brook Valley Academy Trust

The trustees and governing body would like to thank everyone involved for their hard work, diligence and overall contribution to the school and I look forward to another successful year in 2017.

I Banister  
Chair of Governors  
September 2016

## **Headteacher's Report For the period ended 31st August 2016**

2015-16 brought new opportunities and challenges for By Brook Valley CE Primary School. Between 1 September and 31 August I was deployed across two school as an Executive Head. Our Assistant Heads became Deputy Headteachers and during my absence, one stepped up to the position of Acting Head. During this year, staff from By Brook also supported the staff from our partner school in areas including the quality of teaching, SEN provision and TA development.

### **School Organisation**

This year we have continued to operate with seven classes. Our number on role is continuing to grow slowly and reached 193 at the end of the school year.

### **School Leadership**

The Senior Leadership Team of Executive Head and two Deputy Heads continues to rigorously pursue excellence in teaching and learning. Adding to the success of mentoring and development sessions, Teaching and Learning Conversations were introduced and further supported and challenged staff to ensure the best possible progress for all children and all groups of learners. These conversations also helped to ensure consistency in assessment and expectations within the new curriculum.

Our Inclusion Manager / Special needs co-ordinator continues to have a very positive impact on improved provision, tracking and accountability for the progress of children with SEN as well as those in receipt of pupil premium. Links with parents continues to be strong and they are fully involved in their child's provision. Governor monitoring, evaluation and challenge of school development and improvement is embedded through sub-committee action plans.

### **Attainment**

2015-16 was the first school year that all classes needed to follow the new curriculum, and with it new assessment procedures. There were some challenges as guidance changed mid-year but the thorough data shows that the school continues to show good progress for all children and all groups of learners against their starting points.

A lot of time was spent ensuring accuracy of assessment both within the school and across the cluster and two members of staff were also appointed as LA moderators, giving the school real expertise to draw on in this area. All staff have professional development to maximise outcomes for children and are supported in their development through appraisal.

### **July 2015 School Overview of Attainment**

#### **End of Foundation Stage Attainment:**

82% of children achieved a good level of development (or above) in all Prime areas and in Literacy and Maths. (national, 2015 66.3%). The impact of our focus on writing was clearly evident with 82% achieving or exceeding the required standard (national 2015, 71%).

#### **Phonics**

There was, again, strong performance in the % of Year 1 children achieving the expected standard in the phonics screening check with 90% of children achieving the required standard (77% nationally 2015) and 100% of Y2 children who resat the assessment passed (90% nationally 2016).



### Key Stage 1 Attainment (Teacher Assessment)

25 children

	BLW	PKF	PKE	PKG	HNM	WTS	EXS	GDS
Reading						16%	64%	20%
Writing						28%	56%	16%
Maths						16%	56%	28%
Science					4%		96%	

### Key Stage 2

27 children, 5 SEN

	All 3 subjects		Maths		Grammar		Reading	
	Whole class	Across all 3 subjects Those that did the test – 22 children	Whole class %ages	% age of those who did the test  5 dis-applied	Whole class %ages	% age of those who did the test  3 dis-applied	Whole class %ages	% age of those who did the test  3 dis-applied
At Standard	60%	72%	67%	82%	70%	79%	74%	83%
Not at standard	40% (18% of class SEN)	28%	33%	18%	30%	21%	26%	17%

National Comparison Data is showing that 53% achieved standard nationally – we are above this even with the high number of SEN

### Key Stage 2 test v National (early data). % achieved standard

	% Achieved National	% Achieved School (% of children who took test)
Reading, Writing and Maths combined	53%	60% (72%)
Reading	66%	74% (83%)
Maths	70%	67% (82%)
GPS	72%	70% (79%)

### Parent Partnership

During 2015-16 our parent forum focused on the new curriculum, new assessments and new attainment reports for the parents. Parents appreciated the information and value the reports which are sent home three times a year.

**Our priorities for 2015-16 include:**

- To raise the profile and status of computing and science within our curriculum
- To develop leadership skills of our foundation subject leaders
- To develop career stage progression for TAs
- To involve governors in discovery and debate in support their challenge, understanding and strategic planning

Bev Ball (Headteacher)  
September 2016

## **By Brook Valley Academy Trust Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1<sup>st</sup> September 2015 to 31<sup>st</sup> August 2016. The annual report serves the purpose of both a trustee's report, and a director's report under company law.

The trust operates a single academy, The By Brook Valley C of E Primary School, for pupils aged 4 to 11, serving a catchment area which includes the villages of Biddestone, Nettleton and Burton, Castle Combe and Yatton Keynell. The school has a pupil capacity of 210 and had a roll of 197 in the school census in October 2015.

### **Structure, Governance and Management**

#### **Constitution**

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on Page 3.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring while on Academy business. The insurance policy provides cover up to £10,000,000 on any one claim.

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

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire.

The Chair and Vice Chair are elected by the Governing Body, annually, at the first meeting of the year, from within their own number.

The Governors who were in office at 31<sup>st</sup> August 2016 and served throughout the period, except where shown are listed in the Reference and Administrative Details section.

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

The training and induction provided for new Governors is dependent on their existing experience. Where necessary induction training is provided on charity and educational, legal and financial matters.

All new Governors are given a tour of the school and the opportunity to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, Budget, plans, and other documents that they will require to undertake their role as Governors. Induction tends to be informal and is tailored specifically to the individual.

### **Organisational Structure**

The organisational structure of the Academy Trust consists of four levels:

- Full Governing Body (Directors & Trustees)
- Members
- Senior Leadership Team
- School Staff

The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Leadership Team consists of the Headteacher, two Deputy Headteachers and the School Manager. These managers control the school at an executive level, implementing the policies laid down by the Governors, and reporting back to them. The Headteacher is responsible for appointment of staff, though all senior appointments also require the approval of the Governing Body. The Headteacher, assisted by the Finance Officer, is responsible for authorisation of expenditure within agreed budgets.

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

The Governing Body delegates (in accordance with its scheme of delegation) to its Pay Panel the responsibility for reviewing and determining staff salaries and for making recommendations to the Governing Body for the annual budget needed for pay. All teachers employed at By Brook Valley Academy Trust are paid in accordance with the statutory provisions of the School Teachers' Pay and Conditions Document (STPCD). All pay-related decisions are made taking full account of the school improvement plan and teachers and unions have been consulted on this policy.

The pay ranges for the headteacher and deputy headteachers are determined in accordance with the criteria specified in the STPCD 2015 (Section 2, Part 2 – leadership group pay).

For the academic year 2015-2016, an agreement was made with Sherston CofE Primary School for the headteacher of By Brook Valley School (Mrs Bev Ball) to spend 50% of her working time as the Executive Headteacher at Sherston CofE School. The details of that agreement, including pay arrangements, are detailed in the School to School Employee Secondment Agreement dated 29 July 2015.

The academy adheres to Local Government pay arrangements for support staff, and rates are based upon the pay range determined within the National Joint Council for Local Government Services.

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

The Church of England via the Diocese of Bristol Academies Company is a foundation member of the academy trust.

By Brook Valley Academy Trust

The school is a member of the Chippenham Partnership of Schools.

## **Objectives and Activities**

### **Objects and Aims**

The principal object and activity of the Charitable Company, as outlined in the Trusts' Articles of Association, is the operation of the By Brook Valley C of E Primary School 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 with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

### **Aims, Activities, Achievements and Performances**

The Aims and Activities and Achievements and Performance for 2015/16 are summarised in the Headteacher's Report.

### **Public Benefit**

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

## **Strategic Report**

### **Achievements and Performance and Key Performance Indicators**

The Achievements and Performance and KPI for 2015/16 are summarised in the Headteacher's Report above.

### **Going Concern**

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

### **Financial Review**

Most of the Academy's income is obtained from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2016 are shown as restricted funds in the statement of financial activities.

In the year, total income of £937,000 was received and £951,000 expenditure incurred.

### **Financial Objectives**

The Academy's financial objectives are

- To ensure best value in respect of financial decisions, and
- To ensure that all resources are used to promote pupil achievement

## **Reserves Policy**

The governors aim to maintain free reserves of £35,000 to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. As at 31 August 2016, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £89,000, which is in excess of the £35,000 required.

The total balance at 31 August 2016 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds, was £141,000.

In total at 31 August 2016, the funds of the academy were £2,776,000, which is represented by £2,687,000 of restricted funds and £89,000 unrestricted funds. £2,848,000 of the restricted funds can only be realised by disposing of tangible fixed assets.

The governors acknowledge the pension reserve deficit of £216,000 (2015: £83,000) and have increased the contributions in order to gradually reduce this deficit.

## **Investment Policy**

The school's investment policy requires that the Finance Officer monitors cash flow and the current account balance to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £50,000 and £90,000 is likely to be maintained and the school will normally seek to avoid its current account going overdrawn. During the period under review, this policy was followed. Any change in Policy requires the approval of Governors via the Finance and Premises Committee.

## **Principal Risks and Uncertainties**

The Governors understand and have complied with their duty and have identified and reviewed the risks to which the Academy is likely to be exposed. They have ensured that appropriate controls are in place to provide reasonable assurance against fraud and error.

The Major Risks to which the Academy is likely to be exposed have been assessed, in particular those relating to teaching and learning, the provision of facilities, and all other operational aspects of the school and its finances. The Governors continue to monitor internal systems to assess risk faced by the school, both in operational (e.g. Health and Safety, Teaching and Learning, Behaviour and School Trips) and in relation to the control of Finances.

A Risk Register is in place, which is subject to an annual review. In addition, a Business Continuity Plan has been developed. The highest risk items are identified and control procedures agreed by the Governing Body.

The Academy has an effective and robust system of internal controls in place working to the guidance of the Academies Financial Handbook including the following policies:

- Finance Manual (containing all policies relating to control of income and expenditure and procurement)
- Best Value Statement
- Depreciation Policy
- Write off of debt/disposal of equipment Policy

A Management Accounts report is provided to the Full Governing Body each month. The Finance Committee meets at least once per term to discuss the schools financial position in depth and, in turn, the Finance Committee briefs the Full Governing Body at the subsequent Trustees Meeting. The Governing Body has appointed a Responsible Officer, whose role is described in the Risk and Control Framework below.

An improvement in the backup procedure that allows for data to be stored securely offsite is in place for backing up school data on a daily basis. There is also a Fixed Asset Register and separate inventory for non-capital assets. These are reviewed on a regular basis.

Health and Safety inspections are carried out termly, and Health & Safety risk assessments are carried out annually and reviewed regularly. Reports are submitted to the Finance and Premises Committee regularly.

The Governing Body strives to ensure that all Academy financial transactions and educational responsibilities are managed within stringent guidelines as set by all relevant authorities (eg DFE, EFA).

### **Plans for Future Periods**

The plans for future periods are outlined in the Headteacher's report. The Academy will continue to maintain the high levels of performance of its pupils at all levels.

### **Funds held as Custodian Trustee on behalf of others**

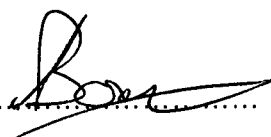
There are currently no funds held as Custodian Trustee or on the behalf of others.

### **Auditor**

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....22-11-16..... and signed on the board's behalf by:

.....

Mr Ian Banister

Chair of Governors

## By Brook Valley Academy Trust

### Governance Statement

#### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between By Brook Valley Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

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

Governors and trustees	Appointed	Left	Meetings attended
Bev Ball (Headteacher and accounting officer)	04/04/2012		6 of 6
Ian Banister (Chairman)	12/09/2013		6 of 6
Anton Campbell	19/03/2015		6 of 5
Chris Draper	17/11/2014	17/09/2015	0 of 1
David Else	27/11/2014	14/07/2016	4 of 6
Keith Ernest	27/11/2014		6 of 6
Elisabeth Ford	27/11/2014		5 of 6
Deb Henshall (Staff governor)	04/04/2012	22/09/2016	4 of 6
Anne Hilton	27/11/2014		5 of 6
Joanne Jardim (Staff governor)	16/07/2015		6 of 6
Lynne Lawton	27/11/2014		6 of 6
Martin Lowe	17/11/2014		3 of 6
David New	27/11/2014		4 of 6
Lisa Nicolson	26/11/2015		5 of 5
Jonathan Philpott	27/11/2014	14/07/2016	3 of 6
Andrew Wylie	14/05/2016		2 of 2



## Governance Review

The governors continue to monitor their own performance during the year, one such way this is measured is the continued inclusion of a standing item at the end of each sub-committee meeting requesting that the committee reviews and records the impact of the meeting and how the meeting has "added value". These discussions are included in minutes and fed back to Full Governing Body meetings. The impact of this has been to ensure a constant process of self-evaluation, challenge and an improvement in the formal documentation of this process and the way in which it is fed back to the board.

The Finance and Premises Committee is a subcommittee of the main board of trustees. Attendance at meetings in the year was as follows:

Governors and trustees	Meetings attended
Bev Ball (Headteacher and accounting officer)	1 of 1 – Represented by Joanne Jardim (Acting Headteacher) for remainder of year
Ian Banister	2 of 5
Keith Ernest	5 of 5
Joanne Jardim (Staff governor)	5 of 5
Lynne Lawton	1 of 1 – moved to another committee during the year
Martin Lowe (Chair of committee)	5 of 5

## Value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy 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 academy'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 has delivered improved value for money during the year by:

### ***Negotiating an improved deal with our electricity provider:***

4 quotations were obtained (NPower, British Gas, Dual Energy and Opus) for a year long contract.

The Dual Energy and Opus quotations were obtained via a company called iuconsult.com. The FHSO carried out some internet research into these companies, and neither company received a very good write up with regard to customer service and billing. These negative reviews were also reflected in comments on the Finance Directors forum.

The cheapest quotation received was from British Gas (the schools' current provider). This combined with the added incentive of a 6% discount for paying via Direct Debit was the option selected for the year.

### ***Photocopier and printing***

With the contract expiring in May 2016, the School Manager arranged for quotes for both a replacement photocopier and the associated printing costs from Futurform, Advanced Imaging Systems and Apogee Managed Services.

Futurform had provided an excellent service during the last contract, with engineers attending the school within a few hours of a maintenance call being placed, and with replacement ink cartridges and toners being automatically ordered and delivered on a just-in-time basis.

The quotation from Futurform was the cheapest of the three, and as the service had also been excellent, we were happy to renew for another 3 years.

### ***Replacement Hall Doors***

A replacement fire door was required in the school hall. Quotations were obtained from D L Windows, L F Replacement Windows and Conservatories, M D King Conservatories Ltd, and SNC Maintenance. All quotations were for the same specification, with "A" grade energy ratings and 8 point locking systems. As such, the lowest quotation was accepted. This was £3,544 lower than the highest price given, and £778 lower than the closest competitor.

### **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 By Brook Valley Trust for the period up to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

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

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

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body
- Regular reviews by the Finance & 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 (including asset purchasing or capital investment) guidelines
- Delegation of authority and segregation of duties and
- Identification and management of risks

In addition, the governors have considered the guidance for public listed companies contained within the Turnbull Report and have adopted these guidelines as best practice. Accordingly they have set policies on internal controls and compiled a risk register which covers the following:

- The type of risks the Academy faces
- The level of risks which they regard as acceptable
- The likelihood of risks materialising
- The Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise
- The costs of operating particular controls relative to the benefits obtained
- Embedded the control system into the Academy's operations so that it becomes part of the culture of the Academy
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- Included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being taken.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed an accounting technician supplied by the Wiltshire Learning Trust as part of a bought in service as an external reviewer, to perform additional checks.

This role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, these reports are submitted to the board of trustees, through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

### **Review of Effectiveness**

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

- The work of the independent external reviewer provided by Wiltshire Learning Trust.
- The work of the Finance and Health & Safety Officer who has responsibility for developing and maintaining the internal control framework.
- The recommendations and comments made by the auditors of the Academy's financial statements in their management letter and reports.

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

This report was approved by order of the board of trustees on .....<sup>22-11-16</sup> and signed on its behalf by:

.....  
Mr Ian Banister  
Chair of Governors

.....  
Mrs Bev Ball  
Accounting Officer

**By Brook Valley Academy Trust**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2016**

As accounting officer of By Brook Valley Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2015.

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

.....  
B Ball - Accounting Officer

Date: .....22-11-16.....

**By Brook Valley Academy Trust**

**Statement of Trustees Responsibilities  
for the Year Ended 31 August 2016**

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

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

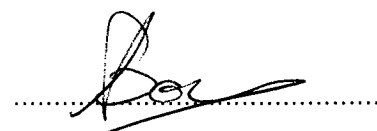
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the board of trustees on 22-11-16 and signed on it's behalf by:



Mr Ian Banister - Trustee

**Report of the Independent Auditors to the Members of**  
**By Brook Valley Academy Trust**

We have audited the financial statements of By Brook Valley Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

**Respective responsibilities of trustees and auditors**

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

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Report of the Independent Auditors to the Members of**  
**By Brook Valley Academy Trust**

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

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

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



Steven Fraser (Senior Statutory Auditor)  
for and on behalf of Monahans  
Statutory Auditors  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 7th December 2016

**Independent Reporting Accountant's Assurance Report on Regularity to**  
**By Brook Valley Academy Trust and the Education Funding Agency**

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

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

**Respective responsibilities of By Brook Valley Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of By Brook Valley Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks



**Independent Reporting Accountant's Assurance Report on Regularity to**  
**By Brook Valley Academy Trust and the Education Funding Agency**

**Conclusion**

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



Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 7th December 2016

**By Brook Valley Academy Trust**


**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2016**

		Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total 2016 funds £'000	Total 2015 funds £'000
	Notes					
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	9	-	-	9	3
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	55	802	10	867	796
Other trading activities	4	<u>61</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>20</u>
<b>Total</b>		125	802	10	937	819
 <b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations		<u>92</u>	<u>755</u>	<u>104</u>	<u>951</u>	<u>914</u>
<b>NET INCOME/(EXPENDITURE)</b>		33	47	(94)	(14)	(95)
<b>Transfers between funds</b>	18	<u>-</u>	<u>(15)</u>	<u>15</u>	<u>-</u>	<u>-</u>
 <b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(123)</u>	<u>-</u>	<u>(123)</u>	<u>2</u>
<b>Net movement in funds</b>		33	(91)	(79)	(137)	(93)
 <b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		56	(73)	2,930	2,913	3,006
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<u>89</u>	<u>(164)</u>	<u>2,851</u>	<u>2,776</u>	<u>2,913</u>

**Balance Sheet**  
**At 31 August 2016**

	Notes	2016 £'000	2015 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	2,848	2,928
<b>CURRENT ASSETS</b>			
Stocks	12	2	1
Debtors	13	40	28
Cash at bank and in hand		<u>148</u>	<u>99</u>
		190	128
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(46)</u>	<u>(60)</u>
<b>NET CURRENT ASSETS</b>		<u>144</u>	<u>68</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,992	2,996
<b>PENSION LIABILITY</b>	19	<u>(216)</u>	<u>(83)</u>
<b>NET ASSETS</b>		<u>2,776</u>	<u>2,913</u>
<b>FUNDS</b>	18		
Unrestricted funds		89	46
Restricted funds:			
Fixed asset funds		2,851	2,930
General funds		52	10
Pension reserve		<u>(216)</u>	<u>(83)</u>
Total restricted funds		<u>2,687</u>	<u>2,857</u>
<b>TOTAL FUNDS</b>		<u>2,776</u>	<u>2,913</u>

The financial statements were approved by the Board of Trustees on 22-11-16 and were signed on its behalf by:

  
.....  
Mr Ian Banister – Trustee

**By Brook Valley Academy Trust**

**Statement of Cash Flows**  
**for the Year Ended 31 August 2016**

	Notes	2016 £'000	2015 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	21	<u>63</u>	<u>21</u>
<b>Net cash provided by (used in) operating activities</b>		<u>63</u>	<u>21</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(24)	(7)
Capital grants from DfE/EFA		<u>10</u>	<u>3</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(14)</u>	<u>(4)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>49</u>	<u>17</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>99</u>	<u>82</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>148</u></u>	<u><u>99</u></u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2016**

**1. ACCOUNTING POLICIES**

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

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and have been rounded to £000.

By Brook Valley Academy Trust meets the definition of a public benefit entity under FRS 102.

*First time adoption of FRS 102*

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

**Reconciliation with previous Generally Accepted Accounting Practice**

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the change in the measurement of the defined benefit pension scheme as a component of reported income.

<u>Reconciliation of reported net income</u>	£'000
Net income/(expenditure) as previously stated	(92)
Adjustment for the change in the measurement of the defined benefit pension scheme	<u>(3)</u>
2015 net income as restated	<u><u>(95)</u></u>

**Going concern**

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

**Income**

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

**Grants**

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

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**1. ACCOUNTING POLICIES - continued**

**Grants (continued)**

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

**Donations**

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

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity 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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 charity's accounting policies.

**Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

**Expenditure on raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

**Charitable activities**

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

**Governance costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

**Tangible fixed assets**

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

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets (continued)**

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

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

Long leasehold buildings	50 years
Property improvements	10 years
Fixtures, fittings and equipment	3 years
ICT equipment	3 years

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

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

The leasehold land and buildings (being the school building) were transferred to the academy on a 125 year lease from Wiltshire Council. The property is included at the insurance valuation upon conversion. Other assets on transfer have been valued at cost when purchased shortly prior to the formation of the academy.

**Stocks**

Stock consists of purchased goods for resale including uniforms as well as other items held for future use. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**Liabilities**

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

**Provisions**

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

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

**Leased Assets**

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

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

**Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

**Pension benefits**

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

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

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

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

**Critical accounting estimates and areas of judgement**

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



**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**1. ACCOUNTING POLICIES - continued**

**Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgement**

There are no critical areas of judgement.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Donations	<u>9</u>	<u>-</u>	<u>9</u>	<u>3</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Grants	-	804	804	747
School trips	-	8	8	7
Afterschool club	52	-	52	38
Other income	<u>3</u>	<u>-</u>	<u>3</u>	<u>4</u>
	<u>55</u>	<u>812</u>	<u>867</u>	<u>796</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	723	723	676
Other DfE/EFA grants	-	65	65	67
	-	788	788	743
<b>DfE/EFA capital grant</b>				
DfE/EFA capital grants	-	10	10	3
<b>Other government grant</b>				
Special educational needs	-	5	5	1
<b>Other restricted grants</b>				
Other restricted income	-	1	1	-
	-	804	804	747

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Hire of facilities	5	-	5	-
Other income	2	-	2	7
Consultancy	54	-	54	13
	61	-	61	20

**5. EXPENDITURE**

	Staff costs £'000	Non-pay expenditure		2016 Total £'000	2015 Total £'000
		Premises £'000	Other costs £'000		
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	544	8	74	626	578
Allocated support costs	110	100	115	325	336
	654	108	189	951	914

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**5. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	2016 £'000	2015 £'000
Auditors' remuneration	5	5
Auditors' remuneration for non audit work	1	1
Depreciation - owned assets	104	102
Operating leases - equipment	<u>1</u>	<u>1</u>

**6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
<b>Direct costs</b>	59	567	626	578
<b>Support costs</b>	<u>33</u>	<u>292</u>	<u>325</u>	<u>336</u>
	<u>92</u>	<u>859</u>	<u>951</u>	<u>914</u>

	2016 Total £'000	2015 Total £'000
<b>Analysis of support costs</b>		
Support staff costs	110	111
Depreciation	58	57
Technology costs	2	5
Premises costs	100	112
Other support costs	48	44
Governance costs	<u>7</u>	<u>7</u>
<b>Total support costs</b>	<u>325</u>	<u>336</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

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

B Ball (Headteacher and trustee):

Remuneration £65,000 - £70,000 (2015: £60,000 - £65,000)

Employer's pension contribution £10,000 - £15,000 (2015: £5,000 - £10,000)

D Henshall (staff trustee):

Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000)

Employer's pension contribution £5,000 - £10,000 (2015: £5,000 - £10,000)

J Jardim (staff trustee - appointed July 2015):

Remuneration £40,000 - £45,000 (2015: £5,000 - £10,000)

Employer's pension contribution £5,000 - £10,000 (2015: £0,001 - £5,000)

**Trustees' expenses**

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015: £Nil) were reimbursed to trustees. Related party transactions involving the trustees are set out in note 20.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**8. STAFF COSTS**

	2016	2015
	£'000	£'000
Wages and salaries	522	502
Social security costs	39	29
Other pension costs	<u>90</u>	<u>87</u>
	651	618
Supply teacher costs	<u>3</u>	<u>9</u>
	<u>654</u>	<u>627</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2016	2015
Teachers	10	10
Administration and support	13	14
Management	<u>3</u>	<u>3</u>
	<u>26</u>	<u>27</u>

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

	2016	2015
£60,001 - £70,000	<u>1</u>	<u>1</u>

The average number of persons employed by the Academy during the year expressed as full time equivalents was:

	2016 Number	2015 Number
Teachers	7	6
Administration and support	7	7
Management	<u>3</u>	<u>3</u>
	<u>17</u>	<u>16</u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees, the senior management team as listed on page 3 and the finance officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £221,584 (2015: £208,931).

**9. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the insurance.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	3	-	-	3
<b>Charitable activities</b>				
Funding for the academy's educational operations	42	751	3	796
Other trading activities	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>
<b>Total</b>	65	751	3	819
 <b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	<u>33</u>	<u>781</u>	<u>100</u>	<u>914</u>
<b>NET INCOME/(EXPENDITURE)</b>	32	(30)	(97)	(95)
<b>Transfers between funds</b>	<u>(23)</u>	<u>19</u>	<u>4</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Net movement in funds</b>	9	(9)	(93)	(93)
 <b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	47	(64)	3,023	3,006
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>56</u></u>	<u><u>(73)</u></u>	<u><u>2,930</u></u>	<u><u>2,913</u></u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**11. TANGIBLE FIXED ASSETS**

	Long leasehold £'000	Improvement s to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>					
At 1 September 2015	2,561	566	12	10	3,149
Additions	-	17	4	3	24
At 31 August 2016	<u>2,561</u>	<u>583</u>	<u>16</u>	<u>13</u>	<u>3,173</u>
<b>DEPRECIATION</b>					
At 1 September 2015	131	76	9	5	221
Charge for year	<u>39</u>	<u>58</u>	<u>3</u>	<u>4</u>	<u>104</u>
At 31 August 2016	<u>170</u>	<u>134</u>	<u>12</u>	<u>9</u>	<u>325</u>
<b>NET BOOK VALUE</b>					
At 31 August 2016	<u>2,391</u>	<u>449</u>	<u>4</u>	<u>4</u>	<u>2,848</u>
At 31 August 2015	<u>2,430</u>	<u>490</u>	<u>3</u>	<u>5</u>	<u>2,928</u>

Included in Leasehold land and buildings is land of £601,000 (2015: £601,000) which is not depreciated.

**12. STOCKS**

	2016 £'000	2015 £'000
Oil	1	-
Uniforms	<u>1</u>	<u>1</u>
	<u>2</u>	<u>1</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £'000	2015 £'000
Trade debtors	13	4
VAT	3	2
Prepayments and accrued income	<u>24</u>	<u>22</u>
	<u>40</u>	<u>28</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £'000	2015 £'000
Trade creditors	-	12
Social security and other taxes	13	9
Accruals and deferred income	<u>33</u>	<u>39</u>
	<u><u>46</u></u>	<u><u>60</u></u>

**Deferred income**

	£'000
Deferred income at 1 September 2015	28
Resources deferred in the year	23
Amounts released from previous years	<u>(28)</u>
Deferred Income at 31 August 2016	<u><u>23</u></u>

At the balance sheet date the academy trust was holding funds received in advance, including grant income, for the 16/17 school year.

**15. OPERATING LEASE COMMITMENTS**

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

	2016 £'000	2015 £'000
Other operating leases		
Amounts due within one year	1	-
Amounts due between one and five years	<u>2</u>	<u>-</u>
	<u><u>3</u></u>	<u><u>-</u></u>

**16. MEMBERS' LIABILITY**

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	2016 Total funds £'000	2015 Total funds £'000
Fixed assets	-	-	2,848	2,848	2,928
Current assets	89	98	3	190	128
Current liabilities	-	(46)	-	(46)	(60)
Pension liability	<u>-</u>	<u>(216)</u>	<u>-</u>	<u>(216)</u>	<u>(83)</u>
	<u><u>89</u></u>	<u><u>(164)</u></u>	<u><u>2,851</u></u>	<u><u>2,776</u></u>	<u><u>2,913</u></u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2016**

**18. MOVEMENT IN FUNDS**

	At 1.9.15	Net movement in funds	Transfers between funds	At 31.8.16
	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>				
Unrestricted fund	56	33	-	89
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	431	(42)	-	389
Fixed assets on conversion	2,431	(40)	-	2,391
Fixed assets purchased from GAG	<u>68</u>	<u>(12)</u>	<u>15</u>	<u>71</u>
	2,930	(94)	15	2,851
<b>Restricted general funds</b>				
Pension fund	(83)	(133)	-	(216)
DfE/EFA grants	10	5	-	15
General Annual Grant (GAG)	<u>-</u>	<u>52</u>	<u>(15)</u>	<u>37</u>
	(73)	(76)	(15)	(164)
<b>Total restricted funds</b>	<u>2,857</u>	<u>(170)</u>	<u>-</u>	<u>2,687</u>
<b>TOTAL FUNDS</b>	<u><u>2,913</u></u>	<u><u>(137)</u></u>	<u><u>-</u></u>	<u><u>2,776</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
Unrestricted fund	125	(92)	-	33
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	10	(52)	-	(42)
Fixed assets purchased from GAG	-	(12)	-	(12)
Fixed assets on conversion	<u>-</u>	<u>(40)</u>	<u>-</u>	<u>(40)</u>
	10	(104)	-	(94)
<b>Restricted general funds</b>				
DfE/EFA grants	65	(60)	-	5
Other government grants	5	(5)	-	-
Other restricted income	9	(9)	-	-
General Annual Grant (GAG)	723	(671)	-	52
Pension fund	<u>-</u>	<u>(10)</u>	<u>(123)</u>	<u>(133)</u>
	802	(755)	(123)	(76)
<b>Total restricted funds</b>	<u>812</u>	<u>(859)</u>	<u>(123)</u>	<u>(170)</u>
<b>TOTAL FUNDS</b>	<u><u>937</u></u>	<u><u>(951)</u></u>	<u><u>(123)</u></u>	<u><u>(137)</u></u>



**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**18. MOVEMENT IN FUNDS - continued**

**General Annual Grant** - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. Under the funding agreement with the Secretary of state, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**Other DfE/EFA grants** - these include the pupil premium which is used to assist pupils from low income families, PE sports grant to fund improvements to the provision of PE and sports for primary pupils, and the grant towards the universal free school meals provision.

**Other government grants** - this is the special educational needs funding from Wiltshire County Council.

**Other restricted income** - this is the monies received and expended on school trips plus donations received that are restricted.

**Pension reserve** - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

**DfE/EFA capital grants** - this represents funding specifically provided to support capital expenditure on fixed assets.

**Other capital grants/donations** - this represents the donation received for the purchase of fixed assets.

**Fixed assets on conversion** - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

**Capital expenditure from GAG** - this represents the cost less depreciation of assets purchased from the GAG.

The following transfers have been made in the year:

£15,000 transferred from the 'GAG' to 'Capital expenditure from GAG' being the cost of capital additions in the period funded by the GAG.

**19. 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 Wiltshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' pension scheme**

*Introduction*

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

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

*Valuation of the Teachers' Pension Scheme*

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

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

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

The employer's pension costs paid to TPS in the period amounted to £55,000 (2015: £47,000).

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

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £36,000 (2015: £36,000), of which employer's contributions totalled £28,000 (2015: £28,000) and employees' contributions totalled £8,000 (2015: £8,000). The agreed contribution rates for future years are 17.9% per cent for employers and between 5.5% and 10.5% per cent for employees.

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

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Present value of funded obligations	(462)	(272)
Fair value of plan assets	<u>246</u>	<u>189</u>
	<u>(216)</u>	<u>(83)</u>
Deficit	<u>(216)</u>	<u>(83)</u>
Liability	<u>(216)</u>	<u>(83)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	35	40
Net interest cost	<u>3</u>	<u>3</u>
	<u>38</u>	<u>43</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Defined benefit obligation	(272)	(219)
Current service cost	(35)	(40)
Employee contributions	(8)	(8)
Interest cost	(11)	(9)
Benefits paid	1	-
Actuarial (gains)/losses from changes in financial assumptions	<u>(137)</u>	<u>4</u>
	<u>(462)</u>	<u>(272)</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Fair value of scheme assets	189	149
Employer contributions	28	28
Employee contributions	8	8
Interest income on plan assets	8	6
Benefits paid	(1)	-
Return on plan assets (excluding amounts included in net interest)	<u>14</u>	<u>(2)</u>
	<u>246</u>	<u>189</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Equities	177	134
Bonds	37	28
Property	30	23
Cash	<u>2</u>	<u>4</u>
	<u>246</u>	<u>189</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Actuarial (gains)/losses from changes in financial assumptions	(137)	4
Return on plan assets (excluding amounts included in net interest)	<u>14</u>	<u>(2)</u>
	<u>(123)</u>	<u>2</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2016	2015
Discount rate	2.1%	3.8%
Future salary increases	4.1%	4.6%
Future pension increases	2.1%	2.7%
Inflation (CPI)	2.1%	2.7%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2016	At 31 August 2015
Current pensioners		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Future pensioners*		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2016**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

\* Figures assume members aged 45 as at the last formal valuation date.

Amounts for the current and previous period are as follows:

	2016 £'000	2015 £'000
<b>Defined benefit pension plans</b>		
Defined benefit obligation	(462)	(272)
Fair value of scheme assets	246	189
Deficit	(216)	(83)

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

Change in assumption at 31 August 2016	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	17%	77
1 year increase in member life expectancy	3%	14
0.5% increase in the Salary Increase Rate	7%	33
0.5% increase in the Pension Increase Rate	9%	41

**20. RELATED PARTY DISCLOSURES**

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

In addition to her role as headteacher and governor, B Ball, received £1,589 (2015: £2,874) in the period for commission on consultancy services provided to other schools as part of a consultancy agreement between the academy and Wiltshire Council.

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

	2016 £'000	2015 £'000
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(14)	(95)
<b>Adjustments for:</b>		
Depreciation	104	102
Capital grants from DfE/EFA	(10)	(3)
DB pension scheme cost less contribution	7	12
DB pension scheme finance cost	3	3
(Increase)/decrease in stocks	(1)	3
(Increase)/decrease in debtors	(12)	4
Decrease in creditors	(14)	(5)
<b>Net cash provided by (used in) operating activities</b>	<u>63</u>	<u>21</u>

**22. FIRST YEAR ADOPTION OF FRS 102**

Please refer to the accounting policies.

**Transitional relief**

No transitional reliefs were taken.