

**Company Registration No. 08557883 (England and Wales)**

**BRIGHTER ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

# BRIGHTER ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

M Blacklock  
G Brown (Resigned 28 April 2016)  
G Hossack  
M Dodd (Appointed 28 April 2016)  
A Eastick (Appointed 28 April 2016)

### Directors

G Brown (Resigned 8 February 2016)  
M Blacklock  
A Eastick (Chair of Directors)  
H Kemp (Principal and Accounting Officer)  
A Ambrose-Thurman (Appointed 14 July 2016)  
K Bulmer-Cooke (Appointed 9 May 2016)

### Senior management team

- Principal H Kemp  
- Assistant principal S Clay  
- Assistant principal A Leach  
- Assistant principal J Reay  
- Assistant principal K Walton  
- Assistant principal D Wright  
- Director of Business & Finance D Sherwood (Resigned 30 September 2016)

### Company registration number

08557883 (England and Wales)

### Registered office

Allendale Road  
Sunderland  
SR3 3EL

### Independent auditor

RSM UK Audit LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

### Bankers

Lloyds Bank  
102 Grey Street  
Newcastle upon Tyne  
NE1 6AG

National Westminster Bank Plc  
135 Bishopgate  
London  
EC2 3UR

### Solicitors

Bond Dickinson LLP  
St. Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE1 3DX

# **BRIGHTER ACADEMY TRUST**

## **DIRECTORS' REPORT**

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The trustees present their annual report together with the audited financial statements of Brighter Academy Trust (the Academy) for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in South Sunderland, Tyne and Wear. It has a pupil capacity of 930 and had a roll of 782 in the school census on 1st October 2015.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The directors of Brighter Academy Trust are also the directors of the charitable company for the purposes of company law. At present the only academy within the Trust is Farrington Community Academy.

The Trust was incorporated on 5 June 2013, having converted from a maintained school. The charitable company is known as Farrington Community Academy.

Accounts produced are for the 12 month period to 31 August 2016.

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

#### **Members' liability**

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

#### **Directors' indemnities**

The Academy has purchased insurance to protect directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

#### **Method of recruitment and appointment or election of Directors**

The term of office for any director shall be four years, save that this time limit shall not apply to the principal or any post held ex officio. Subject to remaining eligible to be a particular type of director, any director may be re-appointed or re-elected.

#### **Policies and procedures adopted for the induction and training of Directors**

The training and induction provided for new directors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new directors are given a tour of the academy and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. As there are normally only one or two new directors a year, induction tends to be done informally and is tailored specifically to the individual.

#### **Organisational structure**

The governance and leadership structure within the Trust consists of four levels: the board of directors, the local governing body, the senior leadership team and the workforce. The aim of the management structure is to provide a clear framework of accountability, encouraging involvement in decision making at all levels.

The senior leadership team is responsible for controlling the Academy at an executive level, implementing the policies laid down by the directors and reporting back to them. As a group the senior leadership team are bound by the Trust's scheme of delegation, which provides a clear framework for the delegation of authority and responsibility within the organisation.

# BRIGHTER ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

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

The Academy has a pay policy, which has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD). Pay decisions at the Academy are made by the personnel, salaries and staffing committee and the governing body review salaries on an annual basis. The pay scales for appointments to the leadership group comply with paragraphs 5 to 9 of the STPCD and are determined by the governing body. In making such determinations the following factors are taken into account:

- the requirement and nature of the post;
- the level of qualifications, skills, experience and specialist knowledge required;
- market conditions; and
- the wider school context.

Pay progression is linked to an individual's performance and appraisal report. The governing body may award either no increase, or an incremental increase of up to two reference points depending upon the level of performance demonstrated. Where a member of the leadership group reaches the top of their pay range, they will continue to be paid at this level until such a time that the governing body is able to reassess the pay range using the academy pay policy and part 2 of the STPCD.

### **Related parties and other connected charities and organisations**

Further details are stated in note 24 to the financial statements.

### **OBJECTIVES AND ACTIVITIES**

The principal object and activity of the charitable company is the operation of Farringdon Community Academy to provide education for students of different abilities between the ages of 11 and 16.

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

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 16. The Academy is an inclusive school. It is recognised that at some time in their school career, most children will need support of some kind or other. The Inclusion Support Centre is well-resourced to cater for the needs of a wide range of special educational needs. The facilities include a quiet working area for students, nurture group and a relaxation and sensory room. Students are given help by specialists in several ways, from regular literacy sessions to support in class and also in small teaching groups within the Inclusion Support Centre if needed.

Care is taken in all subjects to provide teaching materials suitable to all levels of ability so that all students can follow a curriculum pathway appropriate to their needs. Responsibility for all students having special needs, including those with statements, rests with the SENCO who leads a team of teachers and teaching assistants working in all academic areas and liaises closely with pastoral and academic staff as well as agencies such as the Local Authority's Specialist Services. We also have an Autism Spectrum Provision where the local authority place students who need this support. It is an important part of our school. The school follows all procedures of the Special Educational Needs Code of Practice.

The Trust's vision is:

'Brighter Hearts, Brighter Minds, Brighter Futures'

Our mission statement:

We value all students equally and ensure that their opportunities and experiences reflect this in order that they can fulfil both their personal and academic potential. We acknowledge that education is a life-long process and as such a partnership between the school, the students, their parents and the wider community.

We aim to develop:

#### **Brighter Hearts by:**

Developing in our students personal, spiritual and moral values which encourage tolerance of others and a responsible attitude towards the societies of which they are, and may become, a part.

# **BRIGHTER ACADEMY TRUST**

## **DIRECTORS' REPORT (CONTINUED)**

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### **Brighter Minds by:**

Creating a positive learning environment which will develop and enhance the self-esteem of all students and also develop in our students a love of learning enabling them to achieve personal excellence through developing essential knowledge and skills.

### **Brighter Futures by:**

Developing in our students the capacity to make informed decisions related to their personal wellbeing and future opportunities.

The Trust's strategic aims are:

- to deliver excellence in education;
- to contribute to improving standards through school to school partnership models;
- support staff and students to make rapid and sustained improvements;
- to develop and share leadership expertise across the partnership to support transformational change;
- to deliver strong governance and quality assurance models; and
- to capitalise on the mutual benefits of partnership in the community.

The Trust's educational aims are to secure quality education for all its students which will, regardless of background:

- provide academic rigor and challenge to raise aspiration and foster ambition;
- instill the academic and social skills necessary to take the next steps in education or employment;
- inspire them to be creative and entrepreneurial;
- encourage the skills of research, enquiry and independent learning;
- provide individual support to overcome barriers to learning;
- instill community responsibility and respect for others;
- to provide equal opportunities for every child;
- be inclusive and value diversity; and
- help students to become morally responsible and proactive citizens.

### **Public benefit**

The Trust's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charity's charitable purposes for the public benefit. The directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the directors have paid due regard to this guidance in deciding what activities the charity should undertake.

## **STRATEGIC REPORT**

### **Achievements and performance**

During the year, Farringdon Community Academy achieved the following examination results:  
GCSEs :

- 59% of students achieved five or more A\* to C grades (including english and maths);
- 75% of students achieved A\* to C grades in maths;
- 76% of students achieved A\* to C grades in english;
- 99% of students achieved five or more A\* to G grades; and
- 100% of students achieved at least one GCSE pass.

# BRIGHTER ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

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### **Financial review**

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE/EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £5,406,000 exceeded recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £178,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy's objectives.

At 31 August 2016 the net book value of fixed assets was £6,017,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The provisions of FRS102 'Retirement Benefits' have been applied in full, resulting in a deficit of £2,037,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2016 of £4,141,000 comprising £6,017,000 of restricted fixed asset funds, a deficit of £2,037,000 restricted general funds and £161,000 of unrestricted funds.

### Financial and risk management objectives and policies

The Academy is subject to a number of risks and uncertainties in common with other academies. The Academy has in place procedures to identify and mitigate financial risks. These are mentioned briefly below and discussed further in the Risk Management Governance Statement sections of this report.

The main risk faced by the Academy is a reduction in the number of year 7 admissions and therefore a reduction in income. In an attempt to mitigate this risk the Academy has a marketing plan to support recruitment of year 6 students.

This plan includes:

- Open evening – September.
- Year 5 transition events – throughout the summer term.
- School newspaper and Primary magazine.
- Advertising using banners/Primary Times.
- Improving results.

There are also plans to review all spending to search out best value. In 2016-17 we expect to review catering and community lettings to generate savings and income. We are in receipt of £900,000 through CIF funding to refurbish E Block - this will complete the roofing work which was started in 2013. The improved changing facilities will help to increase revenue through community lettings.

### Reserves policy

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

The directors have determined that the appropriate level of reserves should be £100,000 for the 2015-16 financial year. The Academy's current level of reserves is £4,140,000 (see note 18), of which £161,000 is available for the academy to spend freely.

# BRIGHTER ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

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### Investment policy and powers

The Academy invests surplus funds through high interest bank accounts. Interest rates are reviewed prior on an ongoing basis. This policy maximises investment return whilst ensuring that the academy only invests in risk free and immediately accessible accounts.

### Key performance indicators

The key performance indicator results for the Trust in year are:

<b>Indicator</b>	<b>Target</b>	<b>Actual</b>
Students achieving five or more A* to C grades (including english and maths)	55%	59%
Student attendance	97.0%	94.0%
Recruitment of Year 7 students	150	149
Ofsted Inspection Report grading	Good	Requires Improvement

### Going concern

After making appropriate enquiries, the board of directors 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.

### **Plans for future periods**

The Academy's plan for the future remains to create a vibrant and successful Trust, in which we can nurture and support our students to achieve their full potential. The next twelve months will be critical in our development and our intention is to continue the performance improvement journey at Farringdon Community Academy. Our aim is to achieve 'good' status, which we will use as a platform for the Trust's further development. We intend to achieve this by undertaking the following:

**Leadership and management:** To improve the consistency of middle leadership within the school by;

- sharing of good practice between all members of staff; and
- increased rigor of monitoring, undertaken by the senior management team.

**Student Achievement:** To achieve a Progress 8 score above -0.2 in 2016-17 by:

- improved monitoring of teaching for challenge and differentiation;
- increased focus on high attaining students; and
- targeted and individualised continuous professional development for all staff members.

### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust holds no funds as custodian trustee on behalf of others.

**BRIGHTER ACADEMY TRUST**

**DIRECTORS' REPORT (CONTINUED)**

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**AUDITOR**

RSM UK Audit LLP has indicated its willingness to continue in office.

**Statement as to disclosure of information to auditor**

In so far as the directors are aware:

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

The directors' report is approved by order of the board of directors and the strategic report (included therein) is approved by the board of directors in their capacity as the directors at a meeting on ..... and signed on its behalf by:

  
.....

A Eastick  
**Chair of Directors**



# BRIGHTER ACADEMY TRUST

## GOVERNANCE STATEMENT

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### Scope of responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Brighter 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 has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Brighter Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the directors' report and in the directors responsibilities statement. The board of directors has formally met 4 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
G Brown (Resigned 8 February 2016)	1	1
M Blacklock	3	4
A Eastick (Chair of Directors)	4	4
H Kemp (Principal and Accounting Officer)	4	4
A Ambrose-Thurman (Appointed 14 July 2016)	1	1
K Bulmer-Cooke (Appointed 9 May 2016)	4	4

The finance, premises & health and safety committee is a sub-committee of the local governing body of Farringdon Community Academy, which in turn reported to the board of directors. Its purpose is to provide additional scrutiny in all matters relating to finance and to support the management team towards delivering continuous improvement.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
M Blacklock	2	3
A Eastick (Chair of Directors)	1	3
H Kemp (Principal and Accounting Officer)	3	3

### Improving educational results

Brighter Academy Trust has now completed its third financial year in operation. Currently, although established as a multi academy trust, there is only one academy within the trust, Farringdon Community Academy.

Results in August 2016 reflect 59% of students achieved 5 A\*-C grades including english and mathematics, against a target of 55%. The Academy is delighted to have exceeded target and the results represent the best ever achieved at the Academy. It should be noted that data is provisional at this stage and will be confirmed by the Department for Education in January 2017.

Attendance within the Academy is closely monitored, with a 94.0% attendance rate achieved for the 2015-16 academic year; this was 3.0% below target. In addition to the work already undertaken internally and by Sunderland City Council, the Academy will be working with South Tyneside Council in an attempt to reduce absence over the coming year. Incentive and reward schemes, to promote attendance, are currently being explored and will be implemented in 2016-17.

# BRIGHTER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### **Review of value for money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academy 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:

### **Targeted improvement and focus on individual pupils**

Farringdon Community Academy is an inclusive school. It is recognised that at some time in their school career, most children will need support of some kind or other. The Inclusion Support Centre (ISC) is well-resourced area to cater for the needs of a wide range of special educational needs. The facilities include a quiet working area for students, Nurture Group and a Relaxation and Sensory Room. Students are given help by specialists in several ways, from regular literacy sessions to support in class and also in small teaching groups within the Inclusion Support Centre if needed. In 2015-16 two new resourced provisions were opened to support vulnerable students; nurture and choices. Nurture supports students who are anxious or suffering from mental health issues whilst Choices provides an alternative to exclusion.

Care is taken in all subjects to provide teaching materials suitable to all levels of ability so that all students can follow a curriculum pathway appropriate to their needs. Responsibility for all students having special needs, including those with statements, rests with the SENCO who leads a team of teachers and teaching assistants working in all academic areas and liaises closely with pastoral and academic staff as well as agencies such as the Local Authority's Specialist Services. It is an important part of our school. The school follows all procedures of the Special Educational Needs Code of Practice.

We value all students equally and ensure that their opportunities and experiences reflect this in order that they can fulfil both their personal and academic potential. We acknowledge that education is a life-long process and as such a partnership between the school, the students, their parents and the wider community. As such, our staffing structure is designed to meet the needs of all students.

### **New initiatives**

Cost saving opportunities have been explored throughout the year, which have resulted in a number of projected savings in future expenditure. These have been mainly in supply staff costs, music tuition and exam costs. In order to facilitate these savings a new cover supervisor has been employed, changed the procedure when arranging music tuition service and plan to use internal resources to invigilate examinations where possible. We are developing our work through our parental portal on the VLE, FROG, which will continue into 2016-17. All parents have a log in to enable them to track student homework and to raise issues with the school.

### **Financial governance and oversight:**

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

- the work of the external auditor, RSM UK Audit LLP;
- the work of the internal audit function of Sunderland City Council;
- monthly financials undertaken by a chartered accountant in the position of director of business and finance; and
- financial scrutiny by the finance, premises and health & safety committee of the academy.

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

- comprehensive budgeting and monitoring systems and an annual budget and periodic financial reports which are reviewed and agreed by the Finance, premises and health & safety committee and then ratified by the local governing body, on behalf of the board of directors;
- termly reviews of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes

# BRIGHTER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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- monthly management accounts, detailing income and expenditure, balance sheet position, cashflow, capital expenditure against budget;
- clearly defined purchasing policy and procedure;
- delegation of authority and segregation of duties; and
- identification and management of risk, via the Academy's risk register.

### **Better purchasing**

All contracts are appraised or renegotiated in a timely manner. We have reviewed service level agreements to assess value for money. Three quotes are obtained for all purchases that are in excess of £1,000.

### **Maximising income generation**

As a community conscious Trust, opportunities are taken to explore and generate additional and reliable revenue streams, such as letting out sports facilities to the community, and commercial customers. In particular, the hire of our 3G pitch has proved popular, together with regular use of the swimming pool and sports hall.

Furthermore, contracts have been negotiated and delivered to the schools in the local area for the provision of sports education and attendance officer service.

Funding bids are completed for specific projects where the required criteria are met, and it is ensured that all procurement rules are followed where successful.

### **Reviewing controls and managing risks**

The local governing body formed the finance, premises and health & safety committee, which acts as the audit committee for the Trust. The committee meets on a termly basis, with additional meetings required for specific ad hoc issues. A risk register is held by the Academy and is monitored on an on-going basis and updated where necessary.

Monthly management accounts are prepared, which highlight the variances of spend against budget, along with projected and actual cash flow, a report on capital expenditure and an end of month balance sheet position.

A treasury management policy has been approved by the finance, premises and health & safety committee and ratified by the local governing body on behalf of the board to ensure that the trust obtains maximum returns on surplus balances but at an agreed level of risk.

Insurance levels are reviewed annually which incorporates a review on cost effectiveness in order to manage risks

### **Lessons learned**

The finance, premises and health & safety committee, with the assistance of the director of business & finance, review expenditure annually and make adjustments based on effectiveness of strategies and curriculum development. Detailed management reports have been developed to monitor finances carefully.

### **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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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 Brighter Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2015 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.

# BRIGHTER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the finance, premises & health and safety committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of directors has considered the need for a specific internal audit function and has decided to appoint the Internal Audit function of Sunderland City Council as Internal Auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the auditor reports to the board of trustees, through the finance, premises & health and safety committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The reports produced by Sunderland City Council in respect of the internal audit function have been delivered and reviewed by the finance, premises & health and safety committee throughout the year. No material control issues arose from the internal auditor's work.

During the year the internal audit function has been fully delivered in line with the EFA's requirements, as required in the Academies Financial Handbook.

### Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, premises & health and safety committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of directors on 8/12/16 and signed on its behalf by:



A Eastick  
Chair of Directors



H Kemp  
Principal and Accounting Officer

# BRIGHTER ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

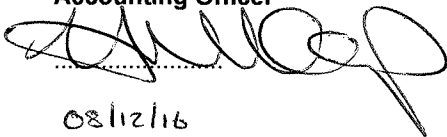
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As accounting officer of Brighter Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

H Kemp  
Accounting Officer



08/12/16

# BRIGHTER ACADEMY TRUST

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The directors (who also act as trustees for Brighter Academy Trust) are responsible for preparing the Directors' Report (including the strategic 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 Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Brighter Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

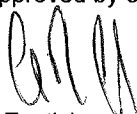
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the Board of Directors on 8/12/16 and signed on its behalf by:



A Eastick  
Chair of Directors

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGHTER ACADEMY TRUST**

**YEAR ENDED 31 AUGUST 2016**

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We have audited the financial statements of Brighter Academy Trust for the year ended 31 August 2016 set out on pages 16 to 37. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

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

As explained more fully in the statement of Directors' responsibilities set out on page 13, the directors, who also act as trustees for the charitable activities of Brighter Academy Trust, 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

## **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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

## **Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Directors' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGHTER ACADEMY TRUST (CONTINUED)

YEAR ENDED 31 AUGUST 2016

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## **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:

- the charity has not kept adequate accounting records, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Lucy Robson*

Lucy Robson (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

Dated: ....09.12.16



# BRIGHTER ACADEMY TRUST

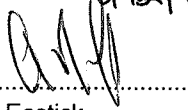
## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2016 £'000	Total 2015 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	17	17	36
Charitable activities:						
- Funding for educational operations	4	-	4,665	-	4,665	4,933
Other trading activities	5	365	-	-	365	304
Investments	6	2	-	-	2	5
<b>Total income and endowments</b>		<u>367</u>	<u>4,665</u>	<u>17</u>	<u>5,049</u>	<u>5,278</u>
<b>Expenditure on:</b>						
Raising funds	7	159	-	-	159	66
Charitable activities:						
- Educational operations	8	124	4,927	195	5,246	5,345
<b>Total expenditure</b>	7	<u>283</u>	<u>4,927</u>	<u>195</u>	<u>5,405</u>	<u>5,411</u>
<b>Net income/(expenditure)</b>		84	(262)	(178)	(356)	(133)
Transfers between funds	18	(197)	117	80	-	-
<b>Other recognised gains and losses</b>						
Remeasurement of net defined benefit obligations	23	-	(1,285)	-	(1,285)	120
<b>Net movement in funds</b>		<u>(113)</u>	<u>(1,430)</u>	<u>(98)</u>	<u>(1,641)</u>	<u>(13)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		274	(607)	6,115	5,782	5,795
Total funds carried forward		<u>161</u>	<u>(2,037)</u>	<u>6,017</u>	<u>4,141</u>	<u>5,782</u>

**BRIGHTER ACADEMY TRUST****BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		6,017		6,159
<b>Current assets</b>					
Debtors	13	176		304	
Cash at bank and in hand		367		270	
		543		574	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(354)		(182)	
<b>Net current assets</b>			189		392
<b>Total assets less current liabilities</b>			6,206		6,551
Creditors: amounts falling due after more than one year	15		(28)		(38)
<b>Net assets excluding pension liability</b>			6,178		6,513
Defined benefit pension liability	23		(2,037)		(731)
<b>Net assets</b>			4,141		5,782
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Restricted fixed asset funds			6,017		6,115
- Restricted general funds			-		124
- Pension reserve			(2,037)		(731)
<b>Total restricted funds</b>			3,980		5,508
<b>Unrestricted income funds</b>	18		161		274
<b>Total funds</b>			4,141		5,782

The financial statements set out on pages 16 to 37 were approved by the Board of Directors and authorised for issue on 31/12/16 and are signed on its behalf by:

  
 .....  
 A Eastick  
 Chair of Directors

# BRIGHTER ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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	Notes	2016 £'000	2015 £'000	2015 £'000
<b>Cash flows from operating activities</b>				
Net cash provided by (used in) operating activities	21		143	(463)
<b>Cash flows from investing activities</b>				
Interest received		2		5
Capital grants from DfE and EFA		17		26
Payments to acquire tangible fixed assets		(53)		(70)
			(34)	(39)
<b>Cash flows from financing activities</b>				
Repayment of Salix loan		(12)		52
			(12)	52
<b>Change in cash and cash equivalents in the reporting period</b>				
			97	(450)
Cash and cash equivalents at beginning of the year			270	720
<b>Cash and cash equivalents at end of the year</b>			<u>367</u>	<u>270</u>

# BRIGHTER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

Brighter Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

#### **Basis of preparation**

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Brighter Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

#### **Transition to FRS102**

These financial statements are the first financial statements of Brighter Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Brighter Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

The financial statements are presented in sterling which is also the financial currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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