
BRANSTON ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Boyd D Dearden V Norman (Foottit) M Norman R Woollen
Governors	M Norman, Chair of Governors D Dearden, Vice-Chair of Governors M Andrews M Bell, Staff Governor D Boyd P Coombes C Firth V Norman (Foottit) N Harris L Sargeant, Staff Governor D Thompson, Staff Governor J Turner, Principal and Accounting Officer M Turner J Wilcox R Woollen
Company Registered Number	07419660
Company Name	Branston Academy Trust
Principal and Registered Office	Branston Community Academy Station Road Branston Lincoln Lincolnshire LN4 1LH
Senior Management Team	J Turner, Principal and Accounting Officer K Lamming, Vice-Principal A Wright, Vice-Principal J Carter, Assistant Principal C Hewerdine, Assistant Principal D Inman, Assistant Principal C Osborne, Business Manager
Independent Auditors	Streets Audit LLP Chartered Accountants and Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers	Lloyds Bank plc 202 High Street Lincoln LN5 7AP
Solicitors	Langleys LLP Olympic House Doddington Road Lincoln LN6 3SE
Internal Auditors	Forrester Boyd Chartered Accountants Waynflete House 139 Eastgate Louth Lincolnshire LN11 9QQ

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The governors present their annual report together with the audited financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The Academy trades under the name Branston Community Academy and operates a school for pupils aged 11 to 18 plus community-focussed nursery and gym facilities serving a catchment area south and east of Lincoln. The school has a pupil capacity of 1,250 as stated in its Funding Agreement (revised during 2018) and had a roll of 1,228 in the Autumn 2021 school census (1,223 in Autumn 2020).

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

Branston Academy Trust is a company limited by guarantee and an exempt charity regulated by the Education and Skills Funding Agency (ESFA).

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The governors of Branston Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Branston Community Academy.

Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

b. Members' Liability

The charitable company has five members (minimum of three), each of whom 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.

c. Governors' Indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of the governors.

d. Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the governors who are elected and co-opted under the terms of the Trust deed.

The Academy must have at least three governors and there is no maximum number set out in the Articles of Association. Up to 17 governors may be appointed by ordinary resolution of the members and a minimum of two parent governors should be elected or appointed. The governors may also appoint co-opted governors; these may be employees of the Academy as long as the total number of employees (including the Principal) does not exceed one third of the total membership. Further governors may be appointed by the company members (1) and the local authority (1). All governors (except the Principal) are appointed for four years and may be reelected or re-appointed.

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e. Policies and Procedures Adopted for the Induction and Training of Governors

There is a core of long-standing, highly experienced governors and normally very low turnover of governors. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to fulfil their roles.

There is a dedicated area for governors on the school website. Induction is tailored specifically to the needs of the individual, for example one to one mentoring sessions for the new governors. There was no specific whole governing body training for governors during the period ending 31 August 2021, but a skills audit was carried out during 2020-21 and is repeated annually.

f. Organisational Structure

The governors are responsible for setting general policy, adopting an annual plan and budget, ensuring funding is spent in line with any restrictions, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. There are three main committees – Finance, Resources and Staffing, Curriculum and Standards and the Governors Standing Committee. The Standing Committee currently has six members - the Chair and Vice-Chair of the governing body, the Chairs and Vice-Chairs of Finance and Curriculum and Standards, an elected member plus the Principal. It has delegated powers to act on behalf of any committee of the full Governing Body. There is also a Personnel Committee.

As at 31 August 2021, the senior management team comprised the Principal, two Vice-Principals, and three Assistant Principals. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Principal is the Accounting Officer and the Business Manager is the Chief Finance Officer. Other managers including the IT Systems Manager and heads of department are responsible for the authorisation of spending within agreed budgets, but limits have been set in the Financial Regulations. A detailed Scheme of Delegation has been agreed by the governing body and sets out the responsibilities and delegated authority of relevant individuals.

g. Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Personnel Committee is responsible for reviewing and setting the pay of key management personnel on an annual basis. Criteria taken into account are performance management, the appropriate payscales and the need to recruit and retain appropriately qualified and experienced staff.

h. Connected Organisations, including Related Party Relationships

Branston Community Academy is a member of the Lincolnshire School Centred Initial Teacher Training (SCITT), a partnership of schools across Lincolnshire and surrounding counties working collaboratively to recruit and train teacher. Branston Community Academy has a seat on the SCITT executive board. An informal network of local Chief Finance officers / Business Managers collaborate to provide mutual support.

i. Trade Union Facility Time

Branston Academy Trust had more than 49 full-time equivalent staff during the reporting period so is within the scope of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

The Academy had two employees (FTE equivalent – 2) who were relevant union officials during the year. Neither of the staff spent any time on facility time within the scope of the Regulations so no further disclosures are required.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

a. Objects and Aims

The principal object and activity of the Academy is to provide education for students of all abilities between the ages of 11 and 19.

The main objectives of Branston Academy Trust as set out in the articles of association and funding agreement are:

- to ensure that every student receives the same high quality education;
- to raise the standard of educational achievement for all of our students;
- to improve the educational provision of the Academy by keeping the curriculum and all operations of the Academy under constant review;
- to provide value for money on the spending of public money;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain links with the wider community including through our on-site community provision and to provide recreation and leisure facilities in the interests of social cohesion and the wider community;
- to conduct Branston Community Academy business in accordance with the highest standards of integrity, probity and openness; and
- to work with other educational providers to advance the quality of education across the City of Lincoln and its surrounding area.

b. Objectives, Strategies and Activities

Branston Community Academy is a place of learning where the principal objective is to provide very high academic standards which are complemented and supported by first class pastoral care and guidance.

We promote values that support the achievement of that vision, particularly ambition and compassion. We believe that these values can and should be complementary rather than in opposition.

The curriculum strategy recognises that the Academy serves an intake that mirrors the national average profile. As a result, we need a curriculum that meets the needs of those requiring a traditional academic experience and other young people who need a curriculum that has a rich applied and work related learning component. The ability of our curriculum to meet those disparate needs extremely effectively is an undoubted strength of the Academy.

c. Equality

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment when required, by making support resources available and through training and career development. Door widths are adequate to enable wheelchair access to all the main areas of the Academy and several disabled toilets are installed. The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contributions and needs of all people are fully valued. There is a lift in the most recently-completed building and it is hoped that one will be installed in another block within the next 12 months.

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d. Public Benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. The core business activity of the Academy is providing secondary education for the public benefit in the south Lincoln area.

An admissions policy is reviewed and published annually. These arrangements are determined in line with the School Admissions Code.

In addition, the Academy provides community nursery, library, swimming and gym facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and improving the life of the local community. Academy facilities are available to hire outside school hours and regular users have included local children's football clubs, netball, badminton, kick-boxing, youth club, cricket and yoga groups. The Academy site has hosted charity and community arts events, both during and outside school hours. There is a programme of swimming lessons during term-time run in-house and the Academy's minibus is regularly hired by a local school and scout groups.

COVID-19 also provided opportunities for the Academy to act for the public benefit. Principally this was set out in specific public procurement notices issued by the Government in response to COVID-19 (PPN 01/20 and PPN 02/20). Public contracting authorities were urged to put in place measures to support supplier cash flow such as paying invoices immediately in order to maintain cash flow in the supply chain and protect jobs. The finance department made this a priority, particularly during lockdown and particularly with small local suppliers where discussions indicated there could be cash flow difficulties. There was also provision for open book arrangements with suppliers to ensure their basic operating costs were covered and to protect an existing contract e.g. catering.

In addition, the furlough scheme set up during the year 2019-20 was continued, supporting staff unable to work as a result of COVID-19. The Government scheme was used to assist those working in the Academy's community provision, principally the Heron's gym, which was required to close as a result of national directives.

The Academy provided public benefit by ensuring that the day nursery remained open during school holidays and periods of COVID-19 school closure i.e. when the Academy was only open to children considered vulnerable for various reasons or whose parents were key workers. The national scheme to assist families in receipt of free school meals was adopted, ensuring that FSM students received food vouchers during school holidays. A similar scheme operated in the nursery.

The Academy also fulfilled a public benefit duty by setting up COVID-19 testing facilities for use when staff and students returned to school in January and February 2021.

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ACHIEVEMENTS AND PERFORMANCE

a. Review of Activities

Student Achievement

The key performance indicator for Branston Community Academy is student achievement as this is the core purpose of the enterprise. Young people progress well beyond expectations by the end of compulsory education in both traditional and vocational courses. In recent years, students' progress at the Academy to the end of Y11 has resulted in national awards for four consecutive years. Moreover, students at the Academy progress in line with expectations. 2021 was an unprecedented year where all external examinations were cancelled due to the Coronavirus global pandemic. Students were awarded grades based on teacher assessments.

The principal performance indicator for student achievement is currently Progress 8 - a measure of how well students progress in defined categories of GCSE course compared to peers. In 2020 there were no performance measures published so the most recent year 2019, are included here for information. In 2019, the Progress 8 figure was +0.06 for BCA students (Lincolnshire average = -0.04).

While this is a progress indicator, the next two most important indicators are attainment based (raw scores) and are:

- Proportion of students achieving at least a grade 5 in English and Maths.
- Proportion of students achieving a pass grade in all English Baccalaureate (EBacc) courses i.e. English, Maths, Science, Languages and a Humanities (Geography or History).

In 2019 (external examinations):

- Proportion of students achieving grade 5+ in English and Maths at Branston Community Academy = 39% (national average (state funded) = 43%).
- Average point score in EBacc suite at Branston Community Academy = 3.96 (national average = 4.06).

In 2020 the equivalent centre assessed grades were:

- Proportion of students achieving grade 5+ in English and Maths at Branston Community Academy = 56% (national average (state funded) = 49.9%).
- Average point score in EBacc suite at Branston Community Academy = 4.63 (national average = 4.38).

In 2021 the equivalent centre assessed grades were:

- Proportion of students achieving grade 5+ in English and Maths at Branston Community Academy = 48% (national average (state funded) = 51.9%).
- Average point score in EBacc suite at Branston Community Academy = 4.34 (national average = 4.45).

Ofsted Inspection

In May 2016 Ofsted evaluated the overall effectiveness of Branston Community Academy as outstanding. They found that student outcomes, leadership and management, teaching, personal development, welfare and behaviour were all outstanding.

A further monitoring visit was conducted in December 2019, where the outcome was positive and systems were deemed to be effective.

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Curriculum and Extra-Curricular Activities

The Academy curriculum pattern is constructed to allow students to follow traditional academic routes or to access one or more vocational options without identifying students in constricted 'pathways'

Under normal circumstances, high impact extra-curricular provision includes participation with success in national debating programmes, accessing Design scholarships (Arkwright scholars) and being the most successful participant in inter-school sports competition across Lincoln and Gainsborough. Opportunities for students to take on leadership roles have been developed through the introduction of Subject Ambassadors in all subjects. In addition, the Duke of Edinburgh Award has been introduced for students in Y9 and above. Some of these activities have re-started this year.

Pupil Premium

This is funding associated with the Government's commitment to deliver extra resources into schools for work with the 'disadvantaged'. Disadvantage is defined specifically as students entitled to receive free school meals (FSM) or with looked after status. There are smaller sums of funding per pupil available for children of service personnel. The specifics of Pupil Premium spend are shown in detail on the academy website and in the Governors' Handbook. We have been rigorous in ensuring that every penny meant for disadvantaged students is spent on those young people and can provide student by student spend analyses. A large proportion of our pupil premium allowance has been spent on personnel who are devoted to working solely with disadvantaged students, acting as mentors with overview of every aspect of the students' life in school including parental contact, learning barriers, funding for personal needs (visits, uniform, extra-curricular lessons etc).

General Performance Indicators

Benchmarked surveys from students, parents and staff have given very high ratings (outstanding when analysed and compared to 'norms') for all key aspects of provision, including a community culture that includes, supports and values the welfare of individuals. All staff have regular performance management reviews. Close and effective monitoring of student attendance and student exclusion enables appropriate additional support to be provided for individuals where that is necessary.

Community Activities

The Academy is proud of its community dimension. We have two very successful community businesses, instigated and managed by the school, a Nursery and Gym (Herons) that benefit members of the school and wider community. In addition, we host a community Library, sharing facilities between the school and wider community. More information about community activities can be found in the Public Benefit section above.

Equality

A strong ethos of 'kindness or nothing' mantra is promoted successfully within the school. It supports tolerance and understanding of different opinions, cultures and beliefs alongside high quality curriculum and pastoral curriculum activities. Recent examples of improved disability access to the site include facilities relating to the swimming pool and Herons gym as well as the Concert hall / Gallery extension. The new block which opened in August 2018 includes lift access to the first floor teaching spaces.

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b. Key Financial Performance Indicators

Financial performance indicators commonly used to monitor the financial performance of schools are set out in the table below, together with some standard financial ratios. Comparative information from the previous three financial years is provided.

	2017-18	2018-19	2019-20	2020-21
Staff costs as a % of total costs	66.96%	62.63%	69.4%	70.39%
Pupil to teacher ratio	19.2:1	20.3:1	20.1:1	20.4:1
Average teaching post cost	£52,833	£55,972	£60,784	£63,624
Average cost per pupil (total)	£5,859	£6,390	£6,328	£6,347
Average direct cost per pupil	£4,307	£4,383	£4,591	£4,675
Teacher cost per pupil	£3,028	£3,053	£3,326	£3,380
Support staff cost per pupil	£774	£824	£895	£929
Occupancy costs as a % of total costs (includes premises improvements and site staff)	9.61%	12.16%	10.95%	13.74%
% of total income other than from grants and delegated funding	9.22%	6.77%	6.13%	4.91%
Operating deficit / (surplus)	£(346,791)	£643,956	£(542,873)	£(312)
Working capital	6.95:1	5.19:1	5.55:1	6.57:1
Public equity	£1,552,724	296,656	222,663	£(29,907)

Staff salaries make up the greatest proportion of the school budget, so staff salaries as a % of total costs are a key indicator of the financial health of the school. Nursery and Heron's staff are excluded in order to facilitate comparisons with other schools. At 70.39%, this has increased slightly during the year, which is attributable to additional tuition costs incurred against COVID-19 catch up / tuition support funding. The figure for 2018-19 was artificially low as a result of £331,000 of local authority funded revenue costs (drainage element of a major building project increasing the Academy's pupil capacity). DfE benchmarking information indicates that staffing is typically over 70% of a school's total expenditure and that 80% would be considered high, so there is no cause for concern at the moment, particularly given the explanation for this increase.

The average teaching post cost has risen from £60,784 to £62,624 and includes all staff paid on teachers' pay scales, whether or not they have a teaching commitment. This represents a 3% increase and is a red RAG rating on the DfE's School Resource Management Self-Assessment tool (SRMSA).

The pupil / teacher ratio is a key performance indicator of the teaching resource available to carry out the core business of providing education. This has increased very slightly from 20.3% in 2019-20 to 20.4% in 2020-21. but it is worth noting that a ratio in excess of 19.41 would generate a red RAG rating on the SRMSA. This might be a cause for concern if academic results were below average or staff absence a major cause of concern, but as neither is the case it could be regarded as a measure of efficiency. Demand for places continues to be very strong (see plans for future periods).

Year 7 recruitment of 211 in September 2020 was above the Planned Admission Number (PAN) of 205 – this followed a one-off increased entry of 238 in September 2019. Overall pupil numbers continue to increase – the October 2020 census showed 1,223 on roll, compared to 1,187 the previous year. This, of course, can be regarded as a key performance indicator in itself, being a reflection of the academy's high reputation.

The support staff cost per pupil has risen from £895 to £929, an increase of 4%. An April pay increase for the majority of support staff has not been agreed yet, but was estimated at 2%, while cleaning and other staff on pay rates linked to the National Minimum Wage received approximately the same, depending on their pay rate. Increased cleaning costs as a result of COVID-19 will have also played a part, together with incremental progression and establishment changes.

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Just under 5% of the Academy's income was self-generated i.e. not from grants or delegated funding. It reflects community activities which generate income – the nursery, Heron's gym, swimming lessons and lettings. Benchmarking against similar academies nationally has indicated a median percentage of 4-5% so the Academy is performing well on this measure. The trend shows the % of self-generated income decreasing and clearly COVID-19 has played a role as Heron's was closed for several months, swimming lessons and lettings cancelled and the patterns of nursery attendance reduced income as fewer top-up hours were purchased by parents with funded places – this is attributed to changed parental working patterns including more flexible and home working. However, the situation is more complex than that because furlough pay grants mitigated the loss of income, but show in the figures as grant income (Notes 4 and 5). In addition, the increase in pupil numbers has increased the grant funding for the Academy's educational operations. There was an increase in COVID-19 related grant funding received from the ESFA (e.g. tuition grant), HMRC (coronavirus job retention – furlough – scheme) the education authority (support for children on free school meals) and the district council which provided a support grant as a result of the Heron's gym having to close. These can be seen in notes 4 and 17 of the financial statements.

This indicator is calculated on revenue and capital expenditure including running costs and expenditure on caretaking and cleaning staff). This year, premises-related expenditure has increased to 13.74% of total expenditure. This is principally due to capital expenditure on the DfE-financed Condition Improvement Fund security project. Again, COVID-19 has had an effect and there were enhanced cleaning costs compared to two years ago - additional cleaning staff, hygiene and cleaning products. The age, nature and usage of the school buildings and infrastructure also have a detrimental effect on occupancy costs, particularly in relation to energy and maintenance expenditure, but there has been significant expenditure on energy efficiency projects in previous years.

Working capital is an indicator of the organisation's ability to generate cash and meet its liabilities as they become due. This shows an increase on the previous year and is an indication of the financial health of the company - current assets over six times current liabilities. The operating deficit of £312 does not represent an immediate cause for concern as it does include depreciation costs of £387,744 (note 8) and the current cash position is secure (note 21).

There is a deficit on the Local Government Pension Fund (£2,457,000) which has increased during the year, mainly due to changes in financial assumptions, mainly in the way inflation is calculated, and to expectations of higher future inflation. Public equity has been calculated as the difference between total assets (excluding fixed assets) and total liabilities (including the pension deficit) and has decreased during the year as a result of the increase in the pension deficit. However, this is not a concern as the liability will never be due in full at any time, and in the event of an academy closure is guaranteed by the Department for Education (see note 24).

c. Going Concern

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

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GOVERNORS' REPORT (CONTINUED)
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FINANCIAL REVIEW

a. Principal Funding

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

There has been an increase in pupil funding compared with the previous year, due to both an increase in the number of pupils and the amount of funding per pupil. There has also been increased funding as a result of the various COVID-19 grants, of which the COVID catch up premium is the greatest amount (£84,080 see note 17).

The Academy also receives grants for fixed assets from the DfE and in addition to £24,871 of devolved formula capital received £282,721 of Condition Improvement Fund (CIF) – see note 17. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), 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 period ended 31 August 2021, total expenditure of £7,762,332 was offset by recurrent grant funding from the DfE plus other incoming resources. The deficit of income over expenditure for the period after transfers between funds and adjustments was £312 in the SOFA but if the end of year position is taken from the Statement of Funds (note 17), excluding fixed assets and the pension reserve, it shows an overall increase in restricted, unrestricted and capital funds totalling £234,134.

There was an actuarial loss on the LGPS defined benefit pension scheme due to a fall in the value of scheme assets taking the overall deficit on the scheme to £2,457,000. This is not seen as a threat to the financial position of the Academy because the most recent triennial valuation of the Academy's assets in the scheme (31 March 2019) showed a funding level of 118%. As a result, the recommended rate is, at 20.9%, lower than it would otherwise have been. The only reason there is an increase at all is because of the estimated contingency is respect of the McCloud judgment.

At 31 August 2021 the net book value of fixed assets was £8,513,117 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy or for its community activities.

b. Reserves Policy

The governors 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.

Excluding the Pension Reserve, the Academy has restricted reserves of £1,042,714 (note 17). This is principally unspent GAG on which there is no carry forward cap due to a changed funding agreement during 2017-18. This year is unusual in that there is a carry forward on Pupil Premium funding (£34,306), which is due to the COVID-19 restrictions i.e. reduced expenditure such as trips not going ahead. There is also £59,685 of unspent COVID-19 Catch Up Premium. If the pension deficit of £2,457,000 is included, the Academy has no available restricted funds, however, given that it is a long-term liability, it does not affect the availability of working capital on an operational basis. On that basis, it would be reasonable to suggest that not all these reserves need to be retained.

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The Academy's current level of Unrestricted Funds (total funds less the amount held in fixed assets and restricted funds) is £1,335,365 (note 17). An appropriate and comfortable level of free reserves to provide 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 would be one to two months' operating costs (as suggested by the National Governance Association 2018). This would leave the Academy with less than £0.5m of free reserves. Given the age of many of the Academy's buildings and known site-related issues, it is considered prudent to designate these funds for premises maintenance and improvement, which therefore links with available capital reserves.

The Academy has £49,014 of unspent capital funding as at 31 August 2021, which represents two years' formula capital income. Work on improving site security costing £345,915 was completed in Summer 2021 - funded by a Capital Infrastructure Fund (CIF) bid with an Academy contribution of £55,216. During the year the Academy made another successful CIF bid, this time to improve drainage and £6,925 was spent on project management costs over the Summer. These show in the CIF expenditure line of the Restricted Fixed Assets Funds, together with the professional fees incurred during the year on the security project.

There is an urgent need to modernise the Academy's sporting facilities, especially the swimming pool, which is in urgent need of work to preserve the amenity which is used by the local community as well as Academy pupils. Preliminary discussions indicate that costs would be in the region of £1 million – in other words all the free Unrestricted Fund reserves plus more than half of the restricted reserves. A further CIF bid is under discussion relating to the heating of the pool and Sports Hall.

c. Investment Policy

The Academy's investment policy is set out in the Financial Regulations (Section 9) and states that investments must be made only in risk-averse, ethical funds. During 2020-21, no funds were invested in a rolling programme of 12-month fixed-term deposits because of the COVID-related collapse of interest rates. The 32-day notice bank account was retained but not added to.

Funds were kept immediately available to ensure efficient cash flow, payment of salaries and in case of unforeseen maintenance emergencies.

d. Principal Risks and Uncertainties

Risks may be classified as strategic, operational, financial, compliance and reputation, but in practice many risks will fall into more than one category.

The principal risks currently facing the Academy are uncertainty surrounding Government funding and expenditure-increasing pressures on staff pay, energy costs, price rises on goods and transport, plus general inflationary pressures. Inflation is widely expected to rise to 5% in early 2022 and there is an outstanding support staff pay claim dating back to April 2020, while teaching staff had a pay freeze in September 2021. Increases in the minimum wage from April 2022 have already been agreed - 6.6% for ages 23 plus, 9.8% for staff aged 21-22 and 4.1% for 18 to 20-year-olds. The National Funding Formula for Schools is being further embedded in 2022-23 in an effort to provide consistency and transparency, the financial climate continues to be uncertain. Per pupil funding increases of 5% have been promised, together with rises in other funding factors, but the Government expects these to cover pay increases, other inflationary pressures and the cost of the Health and Social Care Levy from April 2022. A review of high needs funding is pending, amid widespread claims of underfunding in this area. Detail of how promised increases in funding will impact at a local level is difficult to assess at this stage – but more information is due in the first quarter of 2022 and the DfE is making efforts to ensure information reaches schools earlier in the budget planning cycle.

Ongoing monitoring of the latest information so the Academy has as much advance warning as possible is the control measure. Detailed budget planning, built-in contingencies and rigorous monthly monitoring are the main mitigation measures for the strategic management of expenditure.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Student recruitment at Year 7 and Year 12 must also be considered as a principal strategic risk because of the potential impact on funding. The impact of reduced Year 7 numbers would be high, but is considered an extremely low probability because of the school's recruitment record and demographic factors which indicate numbers are likely to increase. The PAN (Planned Admission Number) was increased in 2018 to a seven form entry (205 in the new Funding Agreement), but in September 2019 there was an additional (8) form entry (238 students) and two further high intake years are expected in September 2022 and 2023. As such, risks are more likely to emerge from managing growth, but the Academy is working closely with Lincolnshire County Council to manage and mitigate this risk. Discussions are already under way about building and remodelling to accommodate this, funded by LCC through basic need provision.

Numbers in 6th form remain a Governing Body strategic priority and actual numbers are increasing steadily, due to increases in cohort sizes and a steady retention rate from Y11 into Y12 of around 50% for the past five years. There were 182 students in the 6th form as at the October 21 census, compared with 172 the previous year. Declining retention rates were predicted as a consequence of students demanding more occupational/pure vocational courses. Government plans to scrap the majority of BTECs in favour of a dual track system of A-Levels and T-Levels by Autumn 2023 provide further uncertainty but there is substantial opposition amid claims that the policy will adversely affect students from disadvantaged backgrounds. The political situation is not clear, given that the DfE has also said that BTECs will continue to be funded where there is a need for skills and knowledge not provided elsewhere.

The Academy premises are considered to be a high risk because parts of the site are more than 50 years old, infrastructure such as pipework is failing, in need of upgrading or at end-of-life and require significant investment to safeguard the continuance of business operations. The ability to fund major work in the future is the most significant financial risk affecting the Academy – while the current level of reserves is sufficient not to cause immediate concern, these could very quickly be depleted.

COVID-19 transmission is one of the highest operational risks the school is currently facing, with its effects on the ability to maintain education standards and risks both to individual staff and of general staff shortage and well-being.

Loss of key staff due to resignation or extended absence is also an operational risk, together with staff retention and recruitment to some posts. Some financial and compliance risks are considered to be so low they have been removed from the register or assessed as low – however staff changes / absences would increase these. The risk of failing to recruit and retain suitably qualified and experienced staff is considered to be low because of measures including use of retention packages, and membership of the LTSA which ensures that teachers are trained in shortage subjects.

Fraud from external sources continues to be an increasing risk according to the UK Annual Fraud Indicator 2017 report, which estimates that charities and charitable trusts are collectively losing £2.3 billion every year and public sector fraud losses are estimated at £40.3 billion. This report has not been updated, but quarterly crime statistics published by the Office for National Statistics reveal that fraud has increased by 32% in the two years between June 2019 and June 2021, while computer misuse offences (including hacking and large-scale data breaches) increased by 85% during the same period. In April 2021, the DfE issued a warning to schools about the increasing number of cyber attacks – particularly via ransomware. Cyber security has been given an increased risk rating on the Academy's risk register for 2021-22 and will be considered in more detail by appropriate staff. Procurement fraud in its many forms has been one of the fastest growing types of fraud. The Business Manager keeps up to date on current frauds prevalent in the education sector e.g. via Action Fraud Alert and the financial regulations / internal controls reduce the risk of techniques such as false invoices or mandate fraud being successful. Data breaches are a key enabler of fraud, according to the National Crime Agency. In addition, there is robust IT security which filters potentially harmful emails and identifies potential phishing emails. The Governing Body has moved to a more rigorous scrutiny regime of internal audit, which mitigates the risk of internal fraud.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Failure to comply with health and safety and child protection procedures and legislation is high risk because of the potential consequences to individuals as well as reputation, however both key staff involved are experienced, there is regular staff training on child protection, and the Business Manager has an education-specific IoSH (Institute of Safety and Health) qualification.

The extent of the Academy's exposure to financial risks including credit, cash flow and liquidity has been considered. The Academy's current assets are at present sufficient to meet immediate needs so cash flow is not considered a risk. Debtors are principally due to lettings and student music lessons; while amounts are small and not material, the latter have reduced significantly since lessons payments have been put onto ParentPay. This has had an additional benefit in that it has reduced the amount of cash payments being taken.

Cash on the premises is considered a financial risk and this has reduced drastically since cashless catering was introduced in 2016 using the ParentPay online system. It is expected that payments for school trips payments are all made via ParentPay and as a result over 90% of payments into the Academy's private fund bank account are made online. COVID-19 meant that very few trips took place this year, but because of the hygiene risks associated with coins and notes, the amount of cash being paid into the main bank account also decreased – from over £26,620 in 2019-20 to less than £3,325 in 2020-21. The majority of this cash related to Heron's Fitness, where the measures taken to make Heron's COVID-secure also increased the % of active members using the Ashbourne online payment system. Additional systems are being introduced in Heron's to reduce the amount of cash being taken – including the facility to take card payments, which became operational in Summer 2021. Cash and cheques were 34% of takings in 2019-20 and only 5% in 2020-21. Benefits in terms of easier credit control and improved cash flow are becoming apparent across all areas of the Academy's operations and it is not considered that there is material risk from trade creditors.

There is a material deficit on the LGPS defined benefit pension scheme, but this is not considered to be a risk to the Academy's operations. The risk of being unable to meet pension obligations is considered to be very low and is managed by monitoring the position and taking advice from the administering authority (West Yorkshire Pension Fund) which is provided in conjunction with the actuary's fund valuation.

FUNDRAISING

Under the provisions of the Charities (Protection and Social Investment Act) 2016, the Academy has a responsibility to provide information on fundraising practices. This is a designed to protect donors, charity supporters and the public from intrusive fundraising practices.

During the year, the Academy used the Easyfundraising online shopping scheme www.easyfundraising.org.uk. A small donation is made by many retailers when supporters of charities and community groups do their online fundraising via this scheme. Parents have been made aware of the scheme via newsletters and website links. The Academy does not have a Parents / Friends Association.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS

Responding to the challenges posed by COVID-19 has, not surprisingly, continued to feature on the Academy's development plan in addition to the "top five" priorities. These challenges are wide-ranging, encompassing the changing Government guidelines, immediate practical health and safety and hygiene requirements, as well as responding to the curriculum based challenges of providing remote education and planning catch-up tuition and supporting the workforce.

The Academy remains committed to improving the achievement of the most able pupils, identified as a much wider group than gifted and talented students. Various measures are being put in place – mentoring, specific revision guidance, lunchtime interventions, extension and enrichment activities. The Academy Development Plan (ADP) sets out in detail measures for reviewing progress in KS4 English and Mathematics including various types of intervention, reviewing tier entry policy, identifying good practice elsewhere and detailed analysis of pupil progress. COVID-19 has prevented or delayed some of these plans. Plans to improve the consistency of outcomes in the 6th form include ongoing progress evaluation and lesson observation, academic extension and enrichment, and developing the curriculum by exploring the possibility of additional courses for 2022 introduction. COVID Catch Up funding will be able to support and enhance some of the activities in these first three priorities described above.

Special Needs Education and Disabilities Provision (SEND) is also a top five priority. Actions here include ensuring that individual students are tracked in line with the new Ofsted framework. A review of best practice at the Academy is to be carried out and an audit of provision put in place.

Objective 5 involves the development of opportunities for collaborative planning on curriculum intent, implementation and impact.

Development of online and paperless systems continues across the Academy – the SIMS student and staff management system is now cloud-based, including online registration, and opportunities to develop use of the system are being explored. Online parents' evenings have also been introduced. The Finance Office has been developing online and paperless systems for several years. A web portal was introduced in 2019 for budget holders to streamline ordering and reporting and provide more up-to-date information. Staff are able to use this while working from home. There are also plans to set up paperless systems for staff expenses and mileage claims, in collaboration with the IT department.

The functionality and use of the Every premises and contracts management system was reviewed during 2019-20 and an additional modules added with the aim of improving asset management. However, COVID-19 has prevented the implementation of this so it is in the department plan for 2021-22. BACS has become the default payment method and the value of payments taken by cash or cheque was reduced by 88% during 2020-21 compared to the previous year (see Principal Risks and Uncertainties section above). There are also plans to introduce a new system to manage all aspects of swimming lessons online.

Non-academic objectives include detailed exploration of collaboration opportunities with local schools, a cyber security audit and continued work on GDPR compliance.

There was a successful CIF bid during the year relating to drainage works principally to alleviate problems in the centre and north side of the site – this followed significant works completed in 2018 as part of the new block on the south side. Late announcement of the outcome and COVID-19 related delays mean that work will not start on site until Autumn 2021. Depending on the success of this in alleviating flooding problems, further works may need to be considered.

It is hoped that a further CIF bid will be submitted in December 2021, focussed on end-of-life heating systems for the swimming pool and heating in the sports hall in general. This links into plans for modernising the sports hall, which is badly in need of updating and refurbishment, including replacement of the swimming pool. A project team has been put together with a view to carrying out the work in Summer 2022.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Lincolnshire County Council anticipates increased demand for school places in the area and as a result the Academy is preparing for Y7 intakes of 232 in September 2022 and 2023, compared to the Funding Agreement PAN of 205. In order to accommodate these extra students, work to the premises will be required. These plans are at an early stage but currently include providing a lift in the science block (ideally by September 2022), remodelling a DT classroom to be a joint art / DT room, changing a textiles room into an IT room and expanding the capacity of the dining hall.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy holds 16-19 Bursary funds from the Education and Skills Funding Agency within its main account. Deposits to staff and student cashless catering accounts are also held.

Staff Association funds are held within the private school fund account, together with deposits and payments for school trips and monies raised for external charities.

AUDITOR

In so far as the governors are aware:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on _____ and signed on its behalf by:



M Norman
Chair of Governors

BRANSTON ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Branston 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.

As governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of governors has formally met 3 times during the year.

Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
M Norman, Chair of Governors	3	3
D Dearden, Vice-Chair of Governors	3	3
M Andrews	0	3
M Bell, Staff Governor	1	3
D Boyd	3	3
P Coombes	3	3
C Firth	1	3
V Norman (Foottit)	3	3
N Harris	1	3
L Sargeant, Staff Governor	3	3
D Thompson, Staff Governor	3	3
J Turner, Principal and Accounting Officer	3	3
M Turner	3	3
J Wilcox	2	3
R Woollen	3	3

There have been no changes in the composition of the governing body, but COVID-19 continued to provide challenges in that as a result the majority of full governing body and committee meetings took place on Zoom.

The full board of governors only met 3 times during the year but financial oversight was maintained through the regular receipt of financial reports as well as meetings of sub-committees in the year.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The 2016 Ofsted report provided an external review of the quality of governance and judged the quality of leadership and management to be outstanding. Governors were described as having a clear vision for the school and highly effective in supporting and challenging school leaders to make this vision of an excellent community school a reality. As an example of this they cited the way that since the previous Ofsted inspection leaders had been held to account for the performance and progress of different groups of pupils within each year. The inspection team also highlighted improved outcomes for Pupil Premium eligible pupils as being directly attributable to the way that governors ensured accountability for the expenditure of that funding.

The AGM in March 2022 is the date of the next internal review of governance and identification of the training needs of governors is ongoing with the annual skills audit being circulated in December.

The Finance, Resources and Staffing Committee is a committee of the main governing body. Its purpose is to take responsibility for all matters concerning the maintenance and development of buildings, for financial matters, including the creation of the annual budget and its subsequent monitoring. The committee discusses the establishment figure for the coming year and any associated strategies to achieve the required quantity and quality of staff. During the year, the Committee will receive updates on staffing developments and decide upon recommendations from the Principal on the general pattern of allowances within the Academy. Its Autumn meeting acts as the Academy's Audit Committee.

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

Governor	Meetings attended	Out of a possible
M Norman	3	3
D Dearden	3	3
M Andrews	0	2
M Bell	2	3
D Boyd	2	3
C Firth	0	3
V Norman (Foottit)	3	3
N Harris	0	3
L Sargeant	3	3
J Turner	3	3
M Turner	3	3
J Wilcox	3	3
R Woollen	3	3

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 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 governors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by ensuring that the principles of value for money are embedded within the Academy's strategic decision making and procurement procedures.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Value for Money is widely described by Government, and other organisations including the Audit Commission, as striking the right balance between economy, efficiency and effectiveness. The three Es of Value for Money can be defined as follows:

- Economy – minimising costs without compromising quality e.g. were rubbish sacks of the required quality purchased for the best price?
- Efficiency – the relationship between output in terms of goods, services or other results and the resources used to produce them e.g. was the cost of school meals minimised at the same time as enhancing the nutritional quality of the lunch provided to pupils?
- Effectiveness – the extent to which objectives have been achieved e.g. did the education programme improve examination success rates?

Four basic principles provide a route for approaching value for money and are embedded into the routine operations and daily conversations and decisions within the academy in order to ensure that money is spent wisely within a culture of continuous improvement and raising of school standards. These are set out below:

- Challenge – why, how and by whom an activity is carried out, which may mean deciding that a project or service will not go ahead or a product not be purchased
- Compare – performance against other schools and between parts of each school. This may be quantitative i.e. by means of formal benchmarking of statistical expenditure and performance information, or qualitative, using detailed informal discussions and peer review
- Consult – involving stakeholders, especially pupils and parents. This may lead to changes in how money is spent in order to meet the priorities and needs of the community served. Consultation within the school is also effective in securing improvement.
- Compete – as a means of securing efficient and effective services. This is most commonly the “decision tree” of procurement procedures involving obtaining alternative quotes, investigating potential alternative suppliers and tendering for major projects.

In practice, these will be applied together to ensure that value for money is achieved.

Although staff had returned to work on site by September 2020, there were periods when some staff were working from home due to isolation guidelines for those considered vulnerable. COVID-19 constraints and pressures such as backlog of work did cause delays and as a result there were fewer procurement exercises carried out. As a result, some of the examples cited below are from previous years.

During 2020-21, resurfacing of two blocks of courts was completed. A price comparison exercise was carried out via a statement of requirements and costings received from three companies and the opportunity taken to roll in routine maintenance – ensuring timely maintenance is carried out and ensuring efficiency of time spend on procurement are both Value for Money elements (economy, efficiency). This project was managed in-house, but more complex major building works are always contracted through a project management company. Benefits of this include specialist advice and compliance with public sector procurement requirements. The process of putting in a CIF bid together for submission in December 2019 showed how an experienced contractor could extract savings from a project because of their knowledge of companies which would not otherwise have come to the Academy's notice. The contractor was chosen for their high CIF bid success rate. This approach was repeated using the same company in 2020-21, the result being the successful bid for drainage improvements.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

There is always careful consideration of what money is to be spent on, with pupils' wellbeing, safety and educational outcomes always at the forefront of prioritising expenditure; this has also been identified as a question schools seeking to achieve value for money should ask themselves (Teachernet 2006). Curriculum departments receive an annual amount covering recurrent expenditure which is calculated according to pupil numbers and higher weightings for resource-heavy subjects. Departments are allowed to carry forward a small amount to the next year if they underspend but any overspend is not written off at the end of the year. Further curriculum development funding is subject to competitive bidding which ensures that it is targeted to areas of greatest need.

Comparisons between suppliers are made on a continuing basis and sometimes the decision comes down to price. A new supplier took on the grounds maintenance contract from September 2019. This had been put out to tender via an external contractor and was an object lesson in setting a specification which was both clear and detailed, involving advice from an external contractor and internal liaison. Writing the specification in-house was time-consuming but will save time in the long run on contract management. This was an example of a decision being made on price, but other factors may also be important – for example the supplier for servicing and supply of grounds machinery was chosen in a previous year because they picked up items for servicing, provided trade-in on used items, training and build for new machinery. This ensured efficient use of staff time, which is also an important factor in achieving value for money. Procurement of IT equipment is always done using price comparison between several suppliers as a key criterion, but suppliers will not always have identical specifications available, in which case a higher specification may need to be considered alongside who will be the end user. This procedure was followed when additional laptops were purchased during COVID-19 lockdown to support the learning of vulnerable pupils at the earliest possible opportunity, though there were difficulties in terms of the high demand for equipment of this type, presumably due to home working as well as other schools making similar purchases. Some procurement decisions can have a higher up-front cost but reap savings in the long run e.g. a decision was taken during 2019-20 to buy new soap dispensers which would allow top up with a bulk and much cheaper foaming product.

Cashless catering has proved popular with parents and increased income generation on the catering contract, though catering income has suffered during the past two "COVID years" due to reduced attendance. The decision to implement cashless catering is an example of challenging how an activity is carried out. Remaining with the status quo is often an easy option because a change of this magnitude and type requires significant investment of both financial and human resources. This demonstrates effectiveness, because it delivered objectives relating to supporting pupils entitled to free school meals and provision of information to parents as well as reducing the risks and costs associated with handling and banking cash. BACS. It has made payment procedures more efficient, as well as reducing postage and stationery costs and being a more secure way of transferring money to creditors and removing the risks associated with cheques such as fraud, payment delays and time tracking lost payments.

Educational outcomes for pupils, particularly as represented by examination results and value-added scores, must be seen as a key indicator of value for money and speak for themselves as a measure of the academy's effectiveness. Ofsted (2016) judged that "from average starting points, pupils make strong progress to reach levels of attainment that are consistently above national averages.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Branston Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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 governors;
- regular reviews by the Finance, Resources and Staffing Committee / Standing 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;
- identification and management of risks.

The board of governors has decided to employ Forrester Boyd Chartered Accountants 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.

Three reports were received during the year 2020-21, covering the periods September to December, January to April and May to August.

The internal audit role has involved giving advice on financial matters and performing a range of checks on the Academy's financial systems. The auditor reports to the board of governors through finance and resources committee on the operation of the systems of control and the discharge of their financial responsibilities. Areas covered included the fixed asset register, risk register, governance, financial regulations, payroll authorisation, petty cash, chargecard controls, invoices, bank reconciliations, the recruitment process, grant funding and CIF expenditure.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The reports use a RAG rating system, with the addition of yellow items between the amber and green where minor improvements are suggested. There were no amber or red items during the year, so all of the points made either confirmed the Academy's processes or suggested minor improvements. These suggestions included encouraging staff to submit pay claims on time, ensuring that the need for cash flow projections was included in the Academy's Finance Regulations (these have been provided to Governors on a monthly basis), regular checks on the Academy website / GIAS / Companies House governance information, minor changes to the risk register and additional checks on fixed assets.

Review of effectiveness

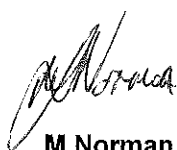
As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

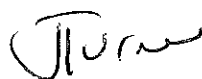
The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on
on their behalf by:

and signed



M Norman
Chair of Governors



J Turner
Accounting Officer

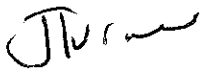
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Branston Academy Trust I have considered my responsibility to notify the Academy board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy board of governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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



J Turner
Accounting Officer
Date: 13.12.21

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on
and signed on its behalf by:



M Norman
Chair of Governors

BRANSTON ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON ACADEMY TRUST**

Opinion

We have audited the financial statements of Branston Academy Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

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

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

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON ACADEMY TRUST (CONTINUED)**

Responsibilities of governors

As explained more fully in the Governors' responsibilities statement, the governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Academy through discussions with governors and other management, and from our knowledge and experience of the Academy and the education sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety and safeguarding legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON ACADEMY TRUST (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- agreed the accurate recognition of grant income and agreed entitlement to available funding allocation documents;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the Academy payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the Academy's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON ACADEMY TRUST (CONTINUED)**

Use of our report

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants and Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date:

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Branston Academy Trust during the year 1 September 2020 to 31 August 2021 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 Branston Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Branston Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Branston Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2010 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our audit work involved:

- a review of the academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the academy finance policy; and
- a review of the related party relationships and internal audit reports.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRANSTON
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson
Streets Audit LLP
Chartered Accountants and Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date:

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	330,192	-	330,192	38,746
Other trading activities	4	170,833	-	232,465	403,298	416,735
Investments	5	-	-	1,473	1,473	12,235
Charitable activities	6	6,879,633	-	147,424	7,027,057	6,507,600
Total income		7,050,466	330,192	381,362	7,762,020	6,975,316
Expenditure on:						
Raising funds	7	222,147	-	277,046	499,193	460,124
Charitable activities	7,8	6,712,937	409,278	140,924	7,263,139	7,058,065
Total expenditure		6,935,084	409,278	417,970	7,762,332	7,518,189
Net income / (expenditure)		115,382	(79,086)	(36,608)	(312)	(542,873)
Transfers between funds	17	(211,491)	182,511	28,980	-	-
Net movement in funds before other recognised gains/(losses)		(96,109)	103,425	(7,628)	(312)	(542,873)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	(178,000)	-	-	(178,000)	263,000
Net movement in funds		(274,109)	103,425	(7,628)	(178,312)	(279,873)

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	(1,140,177)	8,458,706	1,342,993	8,661,522	8,941,395
Net movement in funds	(274,109)	103,425	(7,628)	(178,312)	(279,873)
Total funds carried forward	<u>(1,414,286)</u>	<u>8,562,131</u>	<u>1,335,365</u>	<u>8,483,210</u>	<u>8,661,522</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 64 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07419660

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	8,513,117	8,434,563
		<u>8,513,117</u>	<u>8,434,563</u>
Current assets			
Debtors	14	256,593	352,853
Investments	15	-	300,000
Cash at bank and in hand		2,606,003	2,022,478
		<u>2,862,596</u>	<u>2,675,331</u>
Creditors: amounts falling due within one year	16	(435,503)	(482,372)
Net current assets		<u>2,427,093</u>	<u>2,192,959</u>
Total assets less current liabilities		<u>10,940,210</u>	<u>10,627,522</u>
Net assets excluding pension liability		<u>10,940,210</u>	<u>10,627,522</u>
Defined benefit pension scheme liability	24	(2,457,000)	(1,966,000)
Total net assets		<u><u>8,483,210</u></u>	<u><u>8,661,522</u></u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07419660

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	8,562,131	8,458,706
Restricted income funds	17	1,042,714	825,823
Restricted funds excluding pension reserve	17	<u>9,604,845</u>	<u>9,284,529</u>
Pension reserve	17	<u>(2,457,000)</u>	<u>(1,966,000)</u>
Total restricted funds	17	7,147,845	7,318,529
Unrestricted income funds	17	1,335,365	1,342,993
Total funds		<u>8,483,210</u>	<u>8,661,522</u>

The financial statements on pages 32 to 64 were approved by the governors, and authorised for issue on and are signed on their behalf, by:


M Norman
Chair of Governors

The notes on pages 37 to 64 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	420,258	161,949
Cash flows from investing activities	20	163,267	469,683
Change in cash and cash equivalents in the year		583,525	631,632
Cash and cash equivalents at the beginning of the year		2,022,478	1,390,846
Cash and cash equivalents at the end of the year	21, 22	<u><u>2,606,003</u></u>	<u><u>2,022,478</u></u>

The notes on pages 37 to 64 form part of these financial statements

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

BRANSTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Furniture and equipment	- 10% straight line
Plant and machinery	- 15% straight line
Computer equipment	- 25% straight line

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

BRANSTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

BRANSTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Capital Grants	307,592	307,592	38,746
Donated Fixed Assets	22,600	22,600	-
	<u>330,192</u>	<u>330,192</u>	<u>38,746</u>
<i>Total 2020</i>	<u>38,746</u>	<u>38,746</u>	

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from other trading activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Nursery Income	138,760	163,951	302,711
Other	3,093	68,514	71,607
Coronavirus Job Retention Scheme Grant	28,980	-	28,980
	<u>170,833</u>	<u>232,465</u>	<u>403,298</u>
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Nursery Income	112,867	155,621	268,488
Other	-	97,638	97,638
Coronavirus Job Retention Scheme Grant	50,609	-	50,609
	<u>163,476</u>	<u>253,259</u>	<u>416,735</u>

The Academy furloughed some of its gym and nursery staff under the government's CJRS. The funding received of £28,980 (2020 - £50,609) relates to staff costs which are included within note 10 below as appropriate.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank Interest Received	1,473	1,473	12,235
	<u>1,473</u>	<u>1,473</u>	<u>12,235</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Funding for the Academy's educational operations

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
DfE/ESFA Grants			
General Annual Grant (GAG)	5,969,747	-	5,969,747
Other DfE/ESFA Grants			
Pupil Premium	223,382	-	223,382
Teachers Pension Grant	235,058	-	235,058
Teachers Pay Grant	83,185	-	83,185
Others	46,136	-	46,136
	<u>6,557,508</u>	<u>-</u>	<u>6,557,508</u>
Other Government Grants			
Local Authority Income	118,982	-	118,982
	<u>118,982</u>	<u>-</u>	<u>118,982</u>
Other Income from the Academy's Educational Operations	37,049	147,424	184,473
COVID-19 Additional Funding (DfE/ESFA)			
Catch-Up Premium	84,080	-	84,080
Other DfE/ESFA COVID-19 Funding	24,319	-	24,319
	<u>108,399</u>	<u>-</u>	<u>108,399</u>
COVID-19 Additional Funding (non-DfE/ESFA)			
Other COVID-19 Funding	57,695	-	57,695
	<u>57,695</u>	<u>-</u>	<u>57,695</u>
	<u><u>6,879,633</u></u>	<u><u>147,424</u></u>	<u><u>7,027,057</u></u>

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6. Funding for the Academy's educational operations (continued)

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA Grants			
General Annual Grant (GAG)	5,578,879	-	5,578,879
Other DfE/ESFA Grants			
Pupil Premium	209,397	-	209,397
Teachers Pension Grant	227,047	-	227,047
Teachers Pay Grant	80,349	-	80,349
Others	64,792	-	64,792
	<u>6,160,464</u>	<u>-</u>	<u>6,160,464</u>
Other Government Grants			
Local Authority Income	114,133	-	114,133
	<u>114,133</u>	<u>-</u>	<u>114,133</u>
Other Income from the Academy's Educational Operations	74,997	155,827	230,824
COVID-19 Additional Funding (DfE/ESFA)			
Coronavirus Job Retention Scheme Grant	2,179	-	2,179
	<u>2,179</u>	<u>-</u>	<u>2,179</u>
	<u><u>6,351,773</u></u>	<u><u>155,827</u></u>	<u><u>6,507,600</u></u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, individually material income streams are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy received £84,080 of funding for catch-up premium and costs incurred in respect of this funding totalled £24,395 with the remaining £59,685 to be spent in 2021/22.

The Academy furloughed some of its music tuition staff under the government's CJRS. The funding received of £nil (2020 - £2,179) relates to staff costs which are included within note 10 below as appropriate.

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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on Other Activities:				
Direct Costs	462,879	1,658	34,656	499,193
Educational Operations:				
Direct Costs	4,892,939	-	824,204	5,717,143
Support Costs	648,793	447,709	449,494	1,545,996
	<u>6,004,611</u>	<u>449,367</u>	<u>1,308,354</u>	<u>7,762,332</u>
	<u><u>6,004,611</u></u>	<u><u>449,367</u></u>	<u><u>1,308,354</u></u>	<u><u>7,762,332</u></u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on Other Activities:				
Direct Costs	421,106	1,165	37,853	460,124
Educational Operations:				
Direct Costs	4,662,277	-	791,807	5,454,084
Support Costs	618,368	504,936	480,677	1,603,981
	<u>5,701,751</u>	<u>506,101</u>	<u>1,310,337</u>	<u>7,518,189</u>
	<u><u>5,701,751</u></u>	<u><u>506,101</u></u>	<u><u>1,310,337</u></u>	<u><u>7,518,189</u></u>

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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	5,717,143	1,545,996	7,263,139

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational Operations	5,454,084	1,603,981	7,058,065

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff Costs	4,815,430	4,598,967
Depreciation	387,744	340,346
Educational Materials and Supplies	90,023	81,889
Exam Costs	106,368	120,450
ICT Costs	21,882	19,781
Other Educational Costs	180,402	196,879
Other Staff Costs	115,294	95,772
	5,717,143	5,454,084

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension Finance Cost	31,000	39,000
Staff Costs	648,793	618,368
Maintenance and Security	218,198	300,306
Hygiene and Cleaning	63,571	41,470
Rates	46,101	51,180
Utilities	119,839	111,980
Catering	195,092	201,619
Insurance	32,445	31,681
ICT Costs	43,356	46,449
Governance Costs	14,533	8,763
Other Support Costs	133,068	153,165
	<u>1,545,996</u>	<u>1,603,981</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	7,610	7,186
Depreciation of tangible fixed assets	387,744	340,346
Fees paid to auditors for:		
- audit	7,500	7,500
- other services	3,000	3,250
	<u>398,254</u>	<u>350,282</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,309,556	4,080,873
Social security costs	400,229	373,021
Pension costs	1,217,317	1,181,438
	<u>5,927,102</u>	<u>5,635,332</u>
Agency staff costs	70,993	60,993
Apprenticeship levy	6,516	5,426
	<u>6,004,611</u>	<u>5,701,751</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	71	72
Administration and Support	112	117
Management	7	7
	<u>190</u>	<u>196</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	60	59
Administration and Support	58	55
Management	7	7
	<u>125</u>	<u>121</u>

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10. Staff (continued)

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

d. Key management personnel

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £807,500 (2020 - £763,000).

11. Governors' remuneration and expenses

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

		2021	<i>2020</i>
		£	<i>£</i>
J Turner	Remuneration	100,000 - 105,000	<i>95,000 - 100,000</i>
	Pension contributions paid	20,000 - 25,000	<i>20,000 - 25,000</i>
M Bell	Remuneration	50,000 - 55,000	<i>50,000 - 55,000</i>
	Pension contributions paid	10,000 - 15,000	<i>10,000 - 15,000</i>
L Sargeant	Remuneration	30,000 - 35,000	<i>25,000 - 30,000</i>
	Pension contributions paid	5,000 - 10,000	<i>5,000 - 10,000</i>
D Thompson	Remuneration	35,000 - 40,000	<i>35,000 - 40,000</i>
	Pension contributions paid	5,000 - 10,000	<i>5,000 - 10,000</i>

During the year ended 31 August 2021, expenses totalling £nil were reimbursed or paid directly to governors (2020 - £246). Expenses related to the re-imburement of mileage for duties in line with their employment and the re-imburement of expenses paid on behalf of the academy.

12. Governors' and Officers' insurance

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 whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost is not separately identifiable from the total insurance policy cost paid.

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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	9,691,826	775,774	143,400	754,343	11,365,343
Additions	217,667	9,831	6,746	232,054	466,298
At 31 August 2021	<u>9,909,493</u>	<u>785,605</u>	<u>150,146</u>	<u>986,397</u>	<u>11,831,641</u>
Depreciation					
At 1 September 2020	1,621,027	564,089	128,231	617,433	2,930,780
Charge for the year	198,256	65,294	5,410	118,784	387,744
At 31 August 2021	<u>1,819,283</u>	<u>629,383</u>	<u>133,641</u>	<u>736,217</u>	<u>3,318,524</u>
Net book value					
At 31 August 2021	<u>8,090,210</u>	<u>156,222</u>	<u>16,505</u>	<u>250,180</u>	<u>8,513,117</u>
At 31 August 2020	<u>8,070,799</u>	<u>211,685</u>	<u>15,169</u>	<u>136,910</u>	<u>8,434,563</u>

The Academy's transactions relating to land and buildings represent the installation of new security fencing.

Freehold property on conversion was valued based on an insurance valuation using depreciated replacement cost methodology. Additions post-conversion are valued in line with the cost of construction. The new building donated by the local authority is valued based on the final contract sum as advised by the local authority.

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14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	26,308	29,219
Other debtors	51,227	89,213
Prepayments and accrued income	179,058	234,421
	256,593	352,853

Other debtors includes VAT recoverable of £51,227 (2020 - £88,166).

15. Current asset investments

	2021 £	2020 £
Fixed term deposits	-	300,000
	-	300,000

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	86,067	111,767
Other taxation and social security	104,487	93,284
Other creditors	177,650	198,025
Accruals and deferred income	67,299	79,296
	435,503	482,372
	2021 £	2020 £
Deferred income:		
Deferred income at 1 September	14,063	21,326
Resources deferred during the year	14,876	14,063
Amounts released from previous periods	(14,063)	(21,326)
Deferred income at 31 August	14,876	14,063

At the year-end, the Academy has received income in advance for swimming lessons and other resources.

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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted Funds						
General	1,303,864	217,411	(225,148)	28,099	-	1,324,226
Nursery	39,129	163,951	(192,822)	881	-	11,139
	<u>1,342,993</u>	<u>381,362</u>	<u>(417,970)</u>	<u>28,980</u>	<u>-</u>	<u>1,335,365</u>

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted General Funds						
General Annual Grant (GAG)	792,458	5,969,747	(5,647,894)	(177,891)	-	936,420
Pupil Premium	-	223,382	(189,076)	-	-	34,306
Teachers Pension Grant	-	235,058	(235,058)	-	-	-
Teachers Pay Grant	-	83,185	(83,185)	-	-	-
Other ESFA Grants	33,365	46,136	(62,578)	(4,620)	-	12,303
COVID-19 Catch Up Premium	-	84,080	(24,395)	-	-	59,685
Other DfE/ESFA COVID-19 Funding	-	24,319	(24,319)	-	-	-
Other Government Income - Non-COVID	-	118,982	(118,982)	-	-	-
Other Government Income - COVID	-	60,788	(60,788)	-	-	-
Coronavirus Job Retention Scheme Grant	-	28,980	-	(28,980)	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Nursery	-	138,760	(138,760)	-	-	-
Private Fund	-	37,049	(37,049)	-	-	-
Pension Reserve	(1,966,000)	-	(313,000)	-	(178,000)	(2,457,000)
	<u>(1,140,177)</u>	<u>7,050,466</u>	<u>(6,935,084)</u>	<u>(211,491)</u>	<u>(178,000)</u>	<u>(1,414,286)</u>
	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted Fixed Asset Funds						
NBV of Fixed Assets	8,434,563	22,600	(387,744)	443,698	-	8,513,117
DFC Income	24,143	24,871	-	-	-	49,014
CIF Income	-	282,721	(21,534)	(261,187)	-	-
	<u>8,458,706</u>	<u>330,192</u>	<u>(409,278)</u>	<u>182,511</u>	<u>-</u>	<u>8,562,131</u>
Total Restricted Funds	<u>7,318,529</u>	<u>7,380,658</u>	<u>(7,344,362)</u>	<u>(28,980)</u>	<u>(178,000)</u>	<u>7,147,845</u>
Total Funds	<u><u>8,661,522</u></u>	<u><u>7,762,020</u></u>	<u><u>(7,762,332)</u></u>	<u><u>-</u></u>	<u><u>(178,000)</u></u>	<u><u>8,483,210</u></u>

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17. Statement of funds (continued)

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

Unrestricted Funds:

Other Unrestricted Funds - represents other resources received during the year which may be used towards meeting any of the objects of the Academy at the discretion of the Governors.

Nursery - represents fees received for the community nursery provision.

Restricted Funds:

General Annual Grant (GAG) - represents the annual funding from the ESFA to be used to cover the running costs of the Academy.

Other ESFA Grants - individually material grants have been split in the funds analysis above with each to be spent for specific purposes.

Other Government Grants - funding has been split between Non-COVID-19 funding, the Coronavirus Job Retention Scheme Grants and other COVID-19 funding received for specific purposes.

Nursery - represents funding from the Local Authority for the community nursery provision.

Other Income / Private Funds - represents other funding to be used for the specific purposes intended.

Pension Reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Funds:

NBV of Fixed Assets - represents the net book value of assets.

Unspent Capital Income - represents funding received for capital purposes unspent at the year-end.

Local Authority Donation - represents the costs for the new building funded by the Local Authority.

Transfers:

Transfers between funds have been recognised for the acquisition of fixed assets from restricted funds and for the internal recharge of premises and staff administration costs from the academy to activities. A transfer has also been recognised to re-allocate funding received from the Coronavirus Job Retention Scheme against the relevant staff costs disclosed in unrestricted funds.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted Funds						
General	1,294,968	265,700	(277,779)	20,975	-	1,303,864
Nursery	81,184	155,621	(191,935)	(5,741)	-	39,129
	<u>1,376,152</u>	<u>421,321</u>	<u>(469,714)</u>	<u>15,234</u>	<u>-</u>	<u>1,342,993</u>
Restricted General Funds						
General Annual Grant (GAG)	800,016	5,578,879	(5,493,821)	(92,616)	-	792,458
Pupil Premium	-	209,397	(209,397)	-	-	-
Teachers Pension Grant	-	227,047	(227,047)	-	-	-
Teachers Pay Grant	-	80,349	(80,349)	-	-	-
Other ESFA Grants	25,488	64,792	(56,915)	-	-	33,365
Other Government Income - Non-COVID	-	114,133	(114,133)	-	-	-
Coronavirus Job Retention Scheme Grant	-	52,788	-	(52,788)	-	-
Nursery	-	112,867	(112,867)	-	-	-
Private Fund	-	74,997	(74,997)	-	-	-
Pension Reserve	(1,905,000)	-	(324,000)	-	263,000	(1,966,000)
	<u>(1,079,496)</u>	<u>6,515,249</u>	<u>(6,693,526)</u>	<u>(145,404)</u>	<u>263,000</u>	<u>(1,140,177)</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Restricted Fixed Asset Funds						
NBV of Fixed Assets	8,644,739	-	(340,346)	130,170	-	8,434,563
DFC Income	-	24,143	-	-	-	24,143
CIF Income	-	14,603	(14,603)	-	-	-
	<u>8,644,739</u>	<u>38,746</u>	<u>(354,949)</u>	<u>130,170</u>	<u>-</u>	<u>8,458,706</u>
Total Restricted Funds	<u>7,565,243</u>	<u>6,553,995</u>	<u>(7,048,475)</u>	<u>(15,234)</u>	<u>263,000</u>	<u>7,318,529</u>
Total Funds	<u><u>8,941,395</u></u>	<u><u>6,975,316</u></u>	<u><u>(7,518,189)</u></u>	<u><u>-</u></u>	<u><u>263,000</u></u>	<u><u>8,661,522</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021	Restricted fixed asset funds 2021	Unrestricted funds 2021	Total funds 2021
	£	£	£	£
Tangible fixed assets	-	8,513,117	-	8,513,117
Current assets	1,478,217	49,014	1,335,365	2,862,596
Creditors due within one year	(435,503)	-	-	(435,503)
Provisions for liabilities and charges	(2,457,000)	-	-	(2,457,000)
Total	<u><u>(1,414,286)</u></u>	<u><u>8,562,131</u></u>	<u><u>1,335,365</u></u>	<u><u>8,483,210</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	8,434,563	-	8,434,563
Current assets	1,293,592	38,746	1,342,993	2,675,331
Creditors due within one year	(467,769)	(14,603)	-	(482,372)
Provisions for liabilities and charges	(1,966,000)	-	-	(1,966,000)
Total	<u>(1,140,177)</u>	<u>8,458,706</u>	<u>1,342,993</u>	<u>8,661,522</u>

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(312)	(542,873)
Adjustments for:		
Depreciation	387,744	340,346
Capital grants from ESFA and other capital income	(307,592)	(38,746)
Interest receivable	(1,473)	(12,235)
Defined benefit pension scheme administration cost	3,000	-
Defined benefit pension scheme cost less contributions payable	279,000	285,000
Defined benefit pension scheme finance cost	31,000	39,000
Decrease in debtors	86,646	100,044
Decrease in creditors	(35,155)	(8,587)
Donated fixed assets	(22,600)	-
Net cash provided by operating activities	<u>420,258</u>	<u>161,949</u>

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20. Cash flows from investing activities

	2021 £	2020 £
Interest received	3,409	9,965
Purchase of tangible fixed assets	(455,412)	(164,425)
Capital grants from ESFA	315,270	24,143
Cash withdrawn from fixed term deposits	300,000	600,000
Net cash provided by investing activities	163,267	469,683

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,806,003	1,222,478
Notice deposits (less than 3 months)	800,000	800,000
Total cash and cash equivalents	2,606,003	2,022,478

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,022,478	583,525	2,606,003
Liquid investments	300,000	(300,000)	-
	2,322,478	283,525	2,606,003

23. Contingent liabilities

In the event of Branston Academy Trust ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Academy.

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24. Pension commitments

The Academy'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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £107,050 were payable to the schemes at 31 August 2021 (2020 - £105,651) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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24. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £712,000 (2020 - £698,500).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2021 was £288,000 (2020 - £252,000), of which employer's contributions totalled £227,000 (2020 - £195,000) and employees' contributions totalled £61,000 (2020 - £57,000). The agreed contribution rates for future years are 20.9% for employers and a maximum of 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Pension Increase Rate (CPI)	2.90	<i>2.20</i>
Salary Increase Rate	3.20	<i>2.50</i>
Discount Rate	1.65	<i>1.70</i>

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.2	<i>21.4</i>
Females	23.6	<i>23.7</i>
<i>Retiring in 20 years</i>		
Males	22.0	<i>22.4</i>
Females	25.1	<i>25.2</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
0.1% Decrease in Real Discount Rate	214	<i>161</i>
0.1% Increase in Salary Increase Rate	24	<i>12</i>
0.1% Increase in Pension Increase Rate (CPI)	187	<i>146</i>
	<u>425</u>	<u><i>319</i></u>

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2021	<i>2020</i>
	£	<i>£</i>
Equities	4,164,000	<i>3,131,000</i>
Bonds	826,000	<i>907,000</i>
Property	600,000	<i>454,000</i>
Cash	221,000	<i>45,000</i>
Total market value of assets	<u>5,811,000</u>	<u><i>4,537,000</i></u>

The actual return on scheme assets was £979,000 (2020 - £(473,000)).

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

	2021	<i>2020</i>
	£	<i>£</i>
Current service cost	(506,000)	<i>(480,000)</i>
Interest income	80,000	<i>93,000</i>
Interest cost	(111,000)	<i>(132,000)</i>
Administrative expenses	(3,000)	<i>-</i>
Total amount recognised in the Statement of financial activities	<u>(540,000)</u>	<u><i>(519,000)</i></u>

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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	6,503,000	6,706,000
Current service cost	506,000	480,000
Interest cost	111,000	132,000
Employee contributions	61,000	57,000
Changes in assumptions	1,077,000	(829,000)
Benefits paid	10,000	(43,000)
At 31 August	8,268,000	6,503,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	4,537,000	4,801,000
Interest income	80,000	93,000
Expected return on assets (excluding net interest)	899,000	(566,000)
Employer contributions	227,000	195,000
Employee contributions	61,000	57,000
Benefits paid	10,000	(43,000)
Administrative expenses	(3,000)	-
At 31 August	5,811,000	4,537,000

25. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Not later than 1 year	7,610	7,610
Later than 1 year and not later than 5 years	8,881	16,491
	16,491	24,101

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26. 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.

27. Related party transactions

Owing to the nature of the Academy and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Relatives of Governors:

G Sargeant is the spouse of L Sargeant who is a staff governor. G Sargeant was employed by the Academy as a teacher during the year. The appointment was made prior to the appointment as staff governor. The employee has been paid within the normal pay scales and receives no special treatment as a result of the relationship to a staff governor.