

Company Registration Number: 07419660 (England & Wales)

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 16
Governance statement	17 - 22
Statement on regularity, propriety and compliance	23
Statement of governors' responsibilities	24
Independent auditors' report on the financial statements	25 - 29
Independent reporting accountant's report on regularity	30 - 31
Statement of financial activities incorporating income and expenditure account	32 - 33
Balance sheet	34 - 35
Statement of cash flows	36
Notes to the financial statements	37 - 65

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Boyd D Dearden M Norman V 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 N Harris V Norman R Peacock (appointed 4 July 2022) L Sargeant, Staff Governor D Thompson, Staff Governor J Turner, Principal and Accounting Officer M Turner A Webster (appointed 4 July 2022) 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 A Wright, Senior Vice-Principal J Carter, Vice-Principal C Hewerdine, Vice-Principal D Inman, Vice-Principal J Baker, Assistant Principal C Osborne, Business Manager and Chief Financial Officer
Independent Auditors	Streets Audit LLP Chartered Accountants and Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022. 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 1,274 in the Autumn 2022 school census (1,228 in Autumn 2021).

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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022, but a skills audit is carried out 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 2022, the senior management team comprised the Principal, one Senior Vice Principal, three Vice-Principals, and one Assistant Principal. 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 pay scales 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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 RE Block and work started during Summer 2022 to install a lift in the Science Block – this was completed in Autumn 22.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

During 2021-22 the Academy also provided its minibus to a local group running relief missions to Poland for Ukrainian refugees. We were able to play a key part in rescuing around 30 people and their pets, as well as delivering life-saving supplies of food and clothing. This was supported by Zurich Municipal and the AA, our providers of insurance and vehicle breakdown services respectively.

Students also raise money for charity on a regular basis. Beneficiaries during the year were Ukrainian relief, organisations promoting mental health and suicide prevention, plus the national Children in Need and Red Nose Day appeals.

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. This year students prepared for examinations with pre-release materials following two unprecedented Covid examination years in 2020 and 2021.

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 and 2021 there were no performance measures published. These returned in 2022. Our provisional Progress 8 figure was +0.1 for BCA students (provisional Lincolnshire average = -0.16).

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 ie 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).

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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).

In 2022 (external examinations):

- Proportion of students achieving grade 5+ in English and Maths at Branston Community Academy = 54% (national average not currently available).
- Average point score in EBacc suite at Branston Community Academy = 4.43 (national average not currently available).

Ofsted Inspection

In May 2022 Ofsted evaluated the overall effectiveness of Branston Community Academy as requires improvement. They found that quality of education, leadership and management and sixth form were all good. Personal development and behaviour and attitudes were judged as requires improvement.

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. These activities have restarted this year, with a number of new clubs emerging.

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).

Several initiatives during the year have been targeted at helping students to recover from the effects of the pandemic, both in terms of their academic achievements and wellbeing. Specific COVID Catch-up funds have also been used for post-pandemic recovery, including the provision of extra tuition and mentoring support.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

General Performance Indicators

Regular surveys from students, parents and staff have given high ratings 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 (Heron's) 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. Works have been carried out to improve access to the site over several years, including ramps, automatic doors and a stairlift to Heron's gym. A new block which opened in August 2018 includes lift access to the first floor teaching spaces and a lift was due to be installed in the Science Block in October 2022 – this work was completed on time (also see Equality Section in Objectives and Achievements).

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.

	2018-19	2019-20	2020-21	2022-23
Staff costs as a % of total costs	62.63%	69.4%	70.39%	68.06%
Pupil to teacher ratio	20.3:1	20.1:1	20.4:1	19.5:1
Average teaching post cost	£55,972	£60,784	£63,624	£61,994
Average cost per pupil (total)	£6,390	£6,328	£6,347	£7,015
Average direct cost per pupil	£4,383	£4,591	£4,675	£4,901
Teacher cost per pupil	£3,053	£3,326	£3,380	£3,483
Support staff cost per pupil	£824	£895	£929	£1,083
Occupancy costs as a % of total costs (includes premises improvements and site staff)	12.16%	10.95%	13.74%	13.24%
% of total income other than from grants and delegated funding	6.77%	6.13%	4.91%	6.34%
Operating surplus	£643,956	£(542,873)	£(312)	£(509,328)
Working capital	5.19:1	5.55:1	6.57:1	5.36:1
Public equity	£296,656	£222,663	£(29,907)	£3,506,518

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 68.06%, this has decreased slightly during the year and is also below 2019-20. This is believed to be attributable to COVID -19 tuition support costs incurred against catch up/tuition support funding and relatively high premises costs due to CIF capital 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.

The average teaching post cost has decreased from £63,624 to £61,994 and includes all staff paid on teachers' pay scales, whether or not they have a teaching commitment. This represents a 1% decrease and is broadly in line with similar schools, generating a green RAG rating on the DfE self-assessment benchmarking for 2020-21 which is an appropriate comparison given that there was no teachers' pay rise during the year.

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 decreased slightly from 20.4:1 in 2020-21 to 19.5:1 in 2021-22, which would generate an amber RAG rating on the DfE self-assessment benchmarking as being in the highest 10% of similar schools. 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 208 in September 2021 was above the Planned Admission Number (PAN) of 205, but slightly lower than the previous year (211). Overall pupil numbers continue to increase and during the year the Academy agreed with the local authority to accept up to 232 pupils in Y7 in September 2022 and 2023. The October 2021 census showed 1228 on roll, compared to 1215 the previous year. This, of course, can be regarded as a key performance indicator in itself, being a reflection of the Academy's good reputation.

The support staff cost per pupil has risen from £929 to £1,083, an increase of 6.34%. An April 22 pay increase for the majority of support staff was not agreed until November 2022, but provision for this had been made in the accounts. With rises of just under 5% and over 10% the average was estimated at around 8%. Cleaning and other staff on pay rates linked to the National Minimum Wage also had April 22 increases – of 6.6% for those aged 23 and over.

Over 6% of the Academy's income was self-generated ie 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. Self-generated income has increased during the year, which shows all of the community facilities recovering from reduced use as a result of COVID-19. However, the situation is more complex than that because grant funding has increased due to increases in pupil numbers, COVID-19 related grants and the supplementary grant for additional costs (see note 16). Community facilities have not had the similar income growth – although an increase in gym membership has increased Heron's income.

The occupancy costs indicator is calculated on revenue and capital expenditure including running costs and expenditure on caretaking and cleaning staff. Occupancy costs as a % of total expenditure were relatively stable this year, decreasing slightly from 13.74% in 2020-21 to 13.24% in 2021-22. This is principally due to capital expenditure on the DfE-financed Condition Improvement Fund security and drainage projects in each of the two years. In addition, occupancy costs tend to be relatively high because of the age, usage and configuration of the school buildings. We have consistently used the same calculation of occupancy costs in the governors' report and this is different from the calculation used in the DfE schools financial benchmarking. However, looking at energy use and occupation costs in general, the Academy has higher percentage costs than other similar schools according to the DfE benchmarking.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Working capital is an indicator of the organisation's ability to generate cash and meet its liabilities as they become due. While this shows a decrease on the previous year, it is still an indication of the financial health of the company - current assets over five times current liabilities. The operating deficit of £509,328 does not represent an immediate cause for concern as it does include depreciation costs of £173,428 (note 8) and the current cash position is secure (note 21).

There is a surplus of £1,081,000 on the Local Government Pension Fund which shows a complete reversal of the position in the year ended August 2021 when there was a deficit of £2,457,000. Public equity has been calculated as the difference between total assets (excluding fixed assets) and total liabilities (including the pension surplus). It has increased significantly during the year because of the pension position. It is planned not to calculate this figure in future years - given the changed accounting treatment already described, the potential for significant fluctuation and the fact that in the liability will never be due in full at any one time and in the event of an academy closure any LGPS liabilities would be met by the Department for Education (see note 23).

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.

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 2022 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 additional funding to mitigate the effects of COVID-19 – a recovery premium and funding for additional tuition (16-19 tuition and school-led tutoring) which together add up to £58,681. Some of the latter was unspent so is showing in other creditors (Note 15) and £15,868 will be carried forward as part of the Academy's 2022-23 School Led Tutoring allocation. In December 2021 a supplementary grant for academies was announced to cover increased costs including energy, general inflation and the National Insurance levy. The Academy received £75,683 from this and it is showing separately in Note 16. Government funding of £13,634 was received to cover the costs associated with COVID testing. Additional funding was received from the local authority to provide support to children entitled to free school meals via a national food vouchers scheme.

The Academy also receives grants for fixed assets from the DfE and in addition to £25,482 of devolved formula capital received £251,177 of Condition Improvement Fund (CIF) – see note 16. This was for drainage improvements across the site. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2022, total expenditure of £8,614,756 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 £509,328 in the SOFA but if the end of year position is taken from the Statement of Funds (note 16), excluding fixed assets and the pension reserve, it shows an overall increase in restricted, unrestricted and capital funds totalling £1,575.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

There was an actuarial gain on the LGPS defined benefit pension scheme due to a rise in the value of scheme assets taking the overall surplus on the scheme to £1,081,000 compared to a deficit of £2,457,000 in the previous year. (See SoFA Other recognised gains / losses and Notes 16 and 23). This is not shown as an asset in the accounts because under recommended accounting treatment it cannot be shown to link to a reduction in contributions. In addition, any surplus on the LGPS is not a realisable asset, in the same way that any deficit is not an immediate liability.

At 31 August 2022 the net book value of fixed assets was £8,445,364 and movements in tangible fixed assets are shown in note 13 to the financial statements. In line with the advice of the external auditor, no depreciation charge for buildings and property was made during the year, which is a change from the treatment in previous years. The fixed 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.

The Academy has restricted reserves of £994,145 (note 16) – this excludes the pension reserve which has not been shown as a restricted fund asset for the reason described above. 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 (£15,611). This has happened for reasons including fewer trips going ahead post COVID-19. The Academy's current level of Unrestricted Funds (total funds less the amount held in fixed assets and restricted funds) is £1,356,877, an increase of £29,000 on the previous year (note 16).

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 figure was estimated at £654,765 in a paper presented to the full Governing Body in March 2022. This comfortable level of free reserves can be seen as an amount which it is desirable to retain, ie it is not free for project expenditure. Alternative methods of calculating these reserves were presented and gave a range of between £324,711 and £645,765. If this is adjusted for carried forward Pupil Premium funds (see note 18) and rounded up it would give a reserves figure of £670,000 at the highest end of the range. It is appreciated that this is higher than similar sized academy trusts, but this is considered prudent given the age of many of the Academy's buildings. Using this figure would leave the Academy with £1.68 million of free reserves in its restricted and unrestricted funds.

The Academy has £74,496 of unspent formula capital funding as at 31 August 2022, which represents three years' formula funded capital income.

There is an urgent need to modernise and refurbish the Academy's sporting facilities, especially the swimming pool, in order to preserve the amenity which is used by the local community as well as Academy pupils. This has been highlighted in the Reserves Policy since August 2018. Detailed preliminary work was carried out on this project during 2021-22 and it has become clear that costs have risen significantly since early estimates were made. All of the Academy's free reserves and capital funding reserve would be required to carry out all of the desired aspects of the project.

Following an unsuccessful CIF bid relating to the heating of the pool and Sports Hall, the Academy has made a bid to the Public Sector Decarbonisation Scheme but has not received project approval as at November 2022.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021-22, 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 pressure. Inflation is currently 11.1% (November 2022) and some experts expect a rise to more than 15% in early 2023, though the Bank of England does expect inflation to be falling by the middle of the year. Teaching and support staff unions can be expected to push for higher pay rises as a result and will be taking the view that increases received from April 22 and September 22 represented pay cut in real terms. Increases in the minimum wage from April 2023 have already been agreed – 9.7% for ages 23 plus, 10.9% for staff aged 21-22 and 9.7% for 16 to 20-year-olds and apprentices. 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, as evidenced by the Supplementary Grant funding (2020-23) announced for schools in December 2021 to cover pay increases and other inflationary pressures, and the release of further additional grant (2023-24) for schools following the Chancellor's Autumn statement in November 2022. Nothing is known about the amount or methodology for the latter. Per pupil funding increases of 1.9% have been announced for 2023-24, plus rises of 4.3% to some deprivation factors within schools funding and 2.4% to other core factors. A review of high needs provision and funding reported in May 2022 and promises additional investment alongside nationwide improvements, but it is too early to say what impact that will have at a local level or on the Academy.

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.

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). The September 2022 Year 7 intake was 230 and a similar number is expected in 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 had been increasing steadily, due to increases in cohort sizes and a steady retention rate from Y11 into Y12 of around 50% for five years. This trend did not continue into September 2022 – there were only 171 students in the 6th form (October 22 census), and the retention rate from Y11 was only 46% - 11 fewer than predicted. The reasons for this are not clear, it could be linked to COVID-19 pressures or be a one-off related to student aspirations. Government plans to scrap the majority of BTECs in favour of a dual track system of A-Levels and T-Levels by Autumn 2024 provide further uncertainty.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

Loss of key staff due to resignation or extended absence is also an operational risk, together with staff retention and recruitment to some posts. During 2021-22 teaching assistant posts were the area of highest risk. 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.

Cyber security was given an increased risk rating on the Academy's risk register for 2021-22, following a DfE warning to schools about the increasing number of cyberattacks on educational institutions, particularly via ransomware. All staff training was carried out during the year using the National Cyber Security Centre training recommended by the DfE. During 2022-23 the Academy is rolling out dual factor authentication for staff, which will reduce the risks of cyber attacks such as phishing. Education institutions are the fifth most targeted sector in the world for cyber attacks (Verizon Data Breach Investigations Report 2022). A UK Government survey published in July 2022 found that 70% of secondary schools surveyed had identified breaches or attacks during the preceding 12 months and of these phishing attacks and impersonation attacks were by far the most common. The Academy already has up-to-date robust IT security which filters potentially harmful emails and identifies potential phishing emails.

External fraud is often linked to cyber attacks – potentially via activities such as impersonation emails, taking over user accounts or hacking online bank accounts. 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 eg via Action Fraud Alert and the financial regulations / internal controls reduce the risk of techniques such as false invoices or mandate fraud being successful.

While internal fraud is acknowledged as low risk in academies by the EFSA, all academies are expected to be aware of the risks. The Governing Body has moved to a more rigorous scrutiny regime of internal audit, which mitigates the risk of internal fraud. This process has acknowledged strong levels of internal control eg relating to payroll, charge cards, cash handling and appropriate segregation of duties and authorisation procedures.

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 management of the majority of payments has been taken over by the Lincolnshire Music Service.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 few fewer trips took place this year. The majority of cash taken relates to Heron's Fitness, although the measures taken to make Heron's COVID-secure also increased the % of active members using the Ashbourne online payment system. Clients using Heron's gym or paying for swimming lessons are now able to pay by card or online. 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. A new nursery management system is expected to produce credit control and cash flow benefits when it is rolled out in 2022-23.

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.

PLANS FOR FUTURE PERIODS

Responding to the challenges posed by COVID-19 has, not surprisingly, continued to feature on Academy's development plan. The focus has now switched to analysing the impact of the pandemic on students, with regard to academic outcomes and the impact on their personal development, behaviour and welfare. This is number one of the top five strategic objectives and encompasses targeting funds the recovery and tutoring funding streams accordingly.

Reviewing progress in KS4 English and Maths with the aim of returning to pre-2018 significantly positive values in the second of the top five priorities. A key part of this is reviewing the effectiveness of intervention methods used and evaluating the Academy's work in this area against good practice elsewhere. It also includes reviewing entry policy for examinations and detailed analysis of pupil progress.

The Academy remains committed to improving the achievement of the most able pupils, which begins with identifying upper band students while they are still at primary school. Various measures are being put in place – mentoring, specific revision guidance, lunchtime interventions, extension and enrichment activities. Plans to improve the consistency of outcomes in the 6th form are objective four and include ongoing progress evaluation and lesson observation, academic extension and enrichment, and developing the curriculum by exploring the possibility of additional courses.

Special Needs Education and Disabilities Provision (SEND) is the final top five priority. Actions here include analysis of SEND student outcomes, monitoring their progress and experiences.

A further three objectives have been identified in relation to OfSTED areas for improvement. These are:

- Improving assessment – ensuring that teachers do not move on to new learning before pupils have acquired the knowledge they need to access that learning.
- Promoting a culture of mutual respect and ensuring that any bullying is reported and concerns resolved effectively.
- Ensuring that the personal development curriculum fully meets pupils' needs and that pupils understand of British values, including the rule of law, individual liberty, and mutual respect and tolerance of those with different faiths and beliefs.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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. A new system for recording Safeguarding concerns is being introduced and the success of the online system for parents' evenings is to be evaluated. The Finance Office has been developing online and paperless systems for several years and more recently has introduced paperless systems for staff expenses and mileage claims, in collaboration with the IT department.

Developing use of the Every premises and contracts management system continues to be in the finance department plan. The value of payments taken by cash and cheque has continued to decline, thanks in part to the introduction of a new system to manage all aspects of swimming lessons online, including payments and the facility to take Sum Up card payments in Heron's gym. It is planned to launch a new nursery management system in 2022-23 which will also allow online payments.

Improvement works in the sports block were unfortunately not able to start during 2021-22. The delay is mostly attributable to COVID-19 and other pressures within the construction industry. A CIF bid to replace end-of-life heating boilers with a low carbon air source heat pump was unsuccessful, but it is hoped that the project will be able to go ahead in 2022-23 via the Government's Public Sector Decarbonisation Scheme. The project to modernise and refurbish the sports hall and swimming pool is progressing and it is hoped that work will also be able to start during 2022-23.

Lincolnshire County Council anticipates increased demand for school places in the area and as a result the Academy had a Y7 intake of 230 in September 2022 and is expecting up to 232 in September 23. This compares to the Funding Agreement PAN of 205 and in order to accommodate these extra students, work to the premises will be required. A lift is being installed in the science block (completion scheduled for October 2022). In addition, the capacity of the dining hall is to be increased and a DT classroom is to be remodelled into a joint art / DT room – these works are due to start in 2022-23 and finish in November 2023.

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.

During 2021-22 the Academy also received and distributed vouchers for holiday periods to parents / carers of pupils eligible for school meals. The funding for this was received from Lincolnshire County Council.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 12/12/22 and signed on its behalf by:



M Norman
Chair of Governors

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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 4 times during the year – three regular full meetings of the board plus one extraordinary meeting called to discuss proposed site works.

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	4	4
D Dearden, Vice-Chair of Governors	4	4
M Andrews	0	4
M Bell, Staff Governor	4	4
D Boyd	4	4
P Coombes	4	4
C Firth	0	4
N Harris	2	4
V Norman	4	4
R Peacock	1	1
L Sargeant, Staff Governor	4	4
D Thompson, Staff Governor	4	4
J Turner, Principal and Accounting Officer	4	4
M Turner	4	4
A Webster	1	1
J Wilcox	3	4
R Woollen	4	4

There were two additional appointments to the Governing Body at the final meeting of the year in July 2022.

The 2022 Ofsted report provided an external review of the quality of governance and judged the quality of leadership and management to be good.

Conflicts of Interest

The Academy maintains an up-to-date register of interests which is visible on its website. Declarations of any interest in any agenda items are made at the beginning of any meetings. Governors are excluded from any decision-making where any interest exists.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 full board of governors only met 4 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.

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	2	3
D Dearden	3	3
M Andrews	0	3
M Bell	2	3
D Boyd	1	3
C Firth	0	3
V Norman	2	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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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.

There were no major procurement exercises carried out during 2021-22, so the majority of 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 and because they were an Institute of School Business Leadership approved partner. This approach was repeated using the same company in 2020-21, the result being the successful bid for drainage improvements. A bid for CIF funding 2022-23 in relation to the sports hall was not successful. Project management costs for building works were benchmarked against publicly available information.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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. When laptops were purchased in July 2022, quotations were obtained from three suppliers, but a more expensive option was chosen because of the high build quality – relevant to the location in which they were due to be used – and Wi-Fi specification related to future-proofing and performance. 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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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 2021 to 31 August 2022 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 2021 to 31 August 2022 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 2021-22, 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 safeguarding and whistleblowing, procedures and controls on cash and non-grant income, payroll, expenses and mileage claims, cyber security and back up procedures, monthly financial closedown procedures, business continuity and disaster recovery.

The reports use a RAG rating system, with the addition of yellow items between the amber and green where minor improvements are suggested. There was one amber item which related to a minority of staff not having completed GDPR training.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

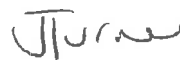
As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the 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; and
- the work of the external auditors.

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 12/12/22 and signed
on their behalf by:

M Norman
Chair of Governors



J Turner
Accounting Officer

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

J Turner
Accounting Officer
Date: 12/12/22

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- 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
12/12/22 and signed on its behalf by:



M Norman
Chair of Governors

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 Statement of governors' responsibilities, 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;
- 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 2 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: 14/12/21

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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2021 to 31 August 2022 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: 14/12/22

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	292,202	-	292,202	330,192
Other trading activities	4	162,033	-	308,827	470,860	403,298
Investments	5	-	-	773	773	1,473
Charitable activities		7,137,279	-	204,314	7,341,593	7,027,057
Total income		7,299,312	292,202	513,914	8,105,428	7,762,020
Expenditure on:						
Raising funds	7	250,398	-	262,484	512,882	499,193
Charitable activities	7,8	7,389,491	493,607	218,776	8,101,874	7,263,139
Total expenditure		7,639,889	493,607	481,260	8,614,756	7,762,332
Net income / (expenditure)		(340,577)	(201,405)	32,654	(509,328)	(312)
Transfers between funds	16	(147,992)	159,134	(11,142)	-	-
Net movement in funds before other recognised gains/(losses)		(488,569)	(42,271)	21,512	(509,328)	(312)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	3,978,000	-	-	3,978,000	(178,000)
Defined benefit pension scheme asset not recognised	23	(1,081,000)	-	-	(1,081,000)	-
Net movement in funds		2,408,431	(42,271)	21,512	2,387,672	(178,312)

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	(1,414,286)	8,562,131	1,335,365	8,483,210	8,661,522
Net movement in funds	2,408,431	(42,271)	21,512	2,387,672	(178,312)
Total funds carried forward	994,145	8,519,860	1,356,877	10,870,882	8,483,210

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

The notes on pages 37 to 65 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	8,445,364	8,513,117
		<u>8,445,364</u>	<u>8,513,117</u>
Current assets			
Debtors	14	468,847	256,593
Cash at bank and in hand		2,513,046	2,606,003
		<u>2,981,893</u>	<u>2,862,596</u>
Creditors: amounts falling due within one year	15	(556,375)	(435,503)
Net current assets		<u>2,425,518</u>	<u>2,427,093</u>
Total assets less current liabilities		<u>10,870,882</u>	<u>10,940,210</u>
Net assets excluding pension asset / liability		<u>10,870,882</u>	<u>10,940,210</u>
Defined benefit pension scheme liability	23	-	(2,457,000)
Total net assets		<u><u>10,870,882</u></u>	<u><u>8,483,210</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	8,519,860	8,562,131
Restricted income funds	16	994,145	1,042,714
Restricted funds excluding pension reserve	16	<u>9,514,005</u>	<u>9,604,845</u>
Pension reserve	16	-	(2,457,000)
Total restricted funds	16	9,514,005	7,147,845
Unrestricted income funds	16	1,356,877	1,335,365
Total funds		<u>10,870,882</u>	<u>8,483,210</u>

The financial statements on pages 32 to 65 were approved by the governors, and authorised for issue on and are signed on their behalf, by:

12/12/22



M Norman
Chair of Governors

The notes on pages 37 to 65 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(271,079)	420,258
Cash flows from investing activities	19	178,122	163,267
Change in cash and cash equivalents in the year		(92,957)	583,525
Cash and cash equivalents at the beginning of the year		2,606,003	2,022,478
Cash and cash equivalents at the end of the year	20, 21	2,513,046	2,606,003

The notes on pages 37 to 65 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 2022

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 2021 to 2022 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 2022

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022

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 15. 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 23, 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 2022. 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 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Capital Grants	292,202	292,202	307,592
Donated Fixed Assets	-	-	22,600
	<u>292,202</u>	<u>292,202</u>	<u>330,192</u>
<i>Total 2021</i>	<u>330,192</u>	<u>330,192</u>	

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from other trading activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Nursery Income	159,171	167,676	326,847
Other	2,862	141,151	144,013
	<u>162,033</u>	<u>308,827</u>	<u>470,860</u>
	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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>

The Academy furloughed some of its gym and nursery staff under the government's CJRS. The funding received of £nil (2021 - £28,980) relates to staff costs which are included within note 10 below as appropriate.

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank Interest Received	773	773	1,473
	<u>773</u>	<u>773</u>	<u>1,473</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Educational operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	6,459,820	-	6,459,820
Other DfE/ESFA Grants			
Pupil Premium	237,587	-	237,587
Teachers Pension Grant	34,242	-	34,242
Teachers Pay Grant	12,118	-	12,118
Supplementary Grant	75,683	-	75,683
Others	36,312	-	36,312
	<u>6,855,762</u>	<u>-</u>	<u>6,855,762</u>
Other Government Grants			
Local Authority Income	187,473	-	187,473
Other Income from the Academy's Educational Operations	37,506	204,314	241,820
COVID-19 Additional Funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 Funding	42,904	-	42,904
COVID-19 Additional Funding (non-DfE/ESFA)			
Other COVID-19 Funding	13,634	-	13,634
	<u>7,137,279</u>	<u>204,314</u>	<u>7,341,593</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. Funding for the Academy's charitable activities (continued)

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations			
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
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 (DfE/ESFA)			
Other COVID-19 funding	57,695	-	57,695
	<u>6,879,633</u>	<u>147,424</u>	<u>7,027,057</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
<i>Expenditure on Other Activities:</i>				
Direct Costs	466,047	3,366	43,469	512,882
<i>Educational Operations:</i>				
Direct Costs	5,304,083	-	714,602	6,018,685
Support Costs	698,593	791,429	593,167	2,083,189
	<u>6,468,723</u>	<u>794,795</u>	<u>1,351,238</u>	<u>8,614,756</u>
	<i>Staff Costs 2021 £</i>	<i>Premises 2021 £</i>	<i>Other 2021 £</i>	<i>Total 2021 £</i>
<i>Expenditure on Other Activities:</i>				
Direct Costs	462,879	1,658	34,656	499,193
<i>Educational Operations:</i>				
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>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	<u>6,018,685</u>	<u>2,083,189</u>	<u>8,101,874</u>

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

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff Costs	5,214,533	4,815,430
Depreciation	173,428	387,744
Educational Materials and Supplies	86,964	90,023
Exam Costs	113,684	106,368
ICT Costs	29,164	21,882
Other Educational Costs	262,947	180,402
Other Staff Costs	137,965	115,294
	<u>6,018,685</u>	<u>5,717,143</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension Finance Cost	39,000	31,000
Staff Costs	698,593	648,793
Maintenance and Security	599,710	218,198
Hygiene and Cleaning	58,099	63,571
Rates	56,239	46,101
Utilities	131,381	119,839
Catering	252,267	195,092
Insurance	29,450	32,445
ICT Costs	58,125	43,356
Governance Costs	21,703	14,533
Other Support Costs	138,622	133,068
	<u>2,083,189</u>	<u>1,545,996</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	<i>2021 £</i>
Operating lease rentals	7,610	7,610
Depreciation of tangible fixed assets	173,428	387,744
Fees paid to auditors for:		
- audit	8,450	7,500
- other services	4,150	3,000
	<u>187,638</u>	<u>398,254</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	4,570,387	4,309,556
Social security costs	435,856	400,229
Pension costs	1,372,930	1,217,317
	<u>6,379,173</u>	<u>5,927,102</u>
Agency staff costs	81,842	70,993
Apprenticeship levy	7,708	6,516
	<u>6,468,723</u>	<u>6,004,611</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	74	71
Administration and Support	125	112
Management	7	7
	<u>206</u>	<u>190</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	63	60
Administration and Support	59	58
Management	7	7
	<u>129</u>	<u>125</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1
	5	3

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 £812,000 (2021 - £807,500).

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:

		2022	2021
		£	£
J Turner	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000
M Bell	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
L Sargeant	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
D Thompson	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2022, expenses totalling £nil were reimbursed or paid directly to governors (2021 - £nil).

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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	9,909,493	785,605	150,146	986,397	11,831,641
Additions	-	32,113	8,552	65,010	105,675
At 31 August 2022	<u>9,909,493</u>	<u>817,718</u>	<u>158,698</u>	<u>1,051,407</u>	<u>11,937,316</u>
Depreciation					
At 1 September 2021	1,819,283	629,383	133,641	736,217	3,318,524
Charge for the year	-	52,040	5,631	115,757	173,428
At 31 August 2022	<u>1,819,283</u>	<u>681,423</u>	<u>139,272</u>	<u>851,974</u>	<u>3,491,952</u>
Net book value					
At 31 August 2022	<u>8,090,210</u>	<u>136,295</u>	<u>19,426</u>	<u>199,433</u>	<u>8,445,364</u>
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>

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. A new building donated by the local authority was valued based on the final contract sum as advised by the local authority.

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	53,116	26,308
Other debtors	292,261	51,227
Prepayments and accrued income	123,470	179,058
	<u>468,847</u>	<u>256,593</u>

Other debtors includes VAT recoverable of £286,501 (2021 - £51,227).

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	63,048	86,067
Other taxation and social security	111,028	104,487
Other creditors	203,761	177,650
Accruals and deferred income	178,538	67,299
	<hr/> 556,375 <hr/>	<hr/> 435,503 <hr/>
	2022	2021
	£	£
Deferred income:		
Deferred income at 1 September	14,876	14,063
Resources deferred during the year	38,740	14,876
Amounts released from previous periods	(14,876)	(14,063)
Deferred income at 31 August	<hr/> 38,740 <hr/>	<hr/> 14,876 <hr/>

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

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted Funds						
General	1,324,226	346,238	(331,294)	-	-	1,339,170
Nursery	11,139	167,676	(149,966)	(11,142)	-	17,707
	<u>1,335,365</u>	<u>513,914</u>	<u>(481,260)</u>	<u>(11,142)</u>	<u>-</u>	<u>1,356,877</u>
Restricted General Funds						
General Annual Grant (GAG)	936,420	6,459,820	(6,255,064)	(162,642)	-	978,534
Pupil Premium	34,306	237,587	(256,282)	-	-	15,611
Teachers Pension Grant	-	34,242	(34,242)	-	-	-
Teachers Pay Grant	-	12,118	(12,118)	-	-	-
Supplementary Grant	-	75,683	(75,683)	-	-	-
Other ESFA Grants	12,303	36,312	(48,615)	-	-	-
COVID-19 Catch Up Premium	59,685	-	(59,685)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	42,904	(42,904)	-	-	-
Other Government Income - Non-COVID	-	190,335	(187,473)	(2,862)	-	-
Other Government Income - COVID	-	13,634	(13,634)	-	-	-
Nursery	-	159,171	(159,171)	-	-	-

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Private Fund	-	37,506	(55,018)	17,512	-	-
Pension Reserve	(2,457,000)	-	(440,000)	-	2,897,000	-
	<u>(1,414,286)</u>	<u>7,299,312</u>	<u>(7,639,889)</u>	<u>(147,992)</u>	<u>2,897,000</u>	<u>994,145</u>
	£	£	£	£	£	£
Restricted Fixed Asset Funds						
NBV of Fixed Assets	8,513,117	-	(173,428)	105,675	-	8,445,364
DFC Income	49,014	25,482	-	-	-	74,496
CIF Income	-	251,177	(320,179)	69,002	-	-
Local Authority Income	-	15,543	-	(15,543)	-	-
	<u>8,562,131</u>	<u>292,202</u>	<u>(493,607)</u>	<u>159,134</u>	<u>-</u>	<u>8,519,860</u>
Total Restricted Funds	<u>7,147,845</u>	<u>7,591,514</u>	<u>(8,133,496)</u>	<u>11,142</u>	<u>2,897,000</u>	<u>9,514,005</u>
Total Funds	<u><u>8,483,210</u></u>	<u><u>8,105,428</u></u>	<u><u>(8,614,756)</u></u>	<u><u>-</u></u>	<u><u>2,897,000</u></u>	<u><u>10,870,882</u></u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. 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 included for the academy contribution to the private fund in relation to a cancelled school trip.

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 2022.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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>
	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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)	-	-	-

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Coronavirus Job Retention Scheme Grant	-	28,980	-	(28,980)	-	-
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>
	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	8,445,364	-	8,445,364
Current assets	1,550,520	74,496	1,356,877	2,981,893
Creditors due within one year	(556,375)	-	-	(556,375)
Total	994,145	8,519,860	1,356,877	10,870,882

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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	(1,414,286)	8,562,131	1,335,365	8,483,210

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(509,328)	(312)
Adjustments for:		
Depreciation	173,428	387,744
Capital grants from ESFA and other capital income	(292,202)	(307,592)
Interest receivable	(773)	(1,473)
Defined benefit pension scheme administration cost	4,000	3,000
Defined benefit pension scheme cost less contributions payable	397,000	279,000
Defined benefit pension scheme finance cost	39,000	31,000
(Increase)/decrease in debtors	(203,076)	86,646
Increase/(decrease) in creditors	120,872	(35,155)
Donated fixed assets	-	(22,600)
Net cash (used in)/provided by operating activities	(271,079)	420,258

19. Cash flows from investing activities

	2022 £	2021 £
Interest received	213	3,409
Purchase of tangible fixed assets	(105,675)	(455,412)
Capital grants from ESFA	283,584	315,270
Cash withdrawn from fixed term deposits	-	300,000
Net cash provided by investing activities	178,122	163,267

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,713,046	1,806,003
Notice deposits (less than 3 months)	800,000	800,000
Total cash and cash equivalents	2,513,046	2,606,003

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,606,003	(92,957)	2,513,046
	<u>2,606,003</u>	<u>(92,957)</u>	<u>2,513,046</u>

22. 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.

23. 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 £113,685 were payable to the schemes at 31 August 2022 (2021 - £107,050) 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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Pension commitments (continued)

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.

The employer's pension costs paid to TPS in the year amounted to £725,000 (2021 - £712,000).

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 2022 was £312,000 (2021 - £288,000), of which employer's contributions totalled £245,000 (2021 - £227,000) and employees' contributions totalled £67,000 (2021 - £61,000). The agreed contribution rates for future years are 20.9% for employers and a maximum of 12.5% for employees.

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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Pension Increase Rate (CPI)	2.95	2.90
Salary Increase Rate	3.25	3.20
Discount Rate	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.7	23.6
<i>Retiring in 20 years</i>		
Males	22.1	22.0
Females	25.1	25.1

Sensitivity analysis

	2022	2021
	£000	£000
0.1% Decrease in Real Discount Rate	126	214
0.1% Increase in Salary Increase Rate	13	24
0.1% Increase in Pension Increase Rate (CPI)	114	187

The defined benefit pension scheme liability is based on the principal actuarial assumptions disclosed above as at the 31 August 2022. These can and do change after the year end. The sensitivity analysis above shows how the year-end position would change based on increases / decreases to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme liability by next year-end. Post year-end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts and would not be value for money.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Equities	4,445,000	4,164,000
Bonds	719,000	826,000
Property	770,000	600,000
Cash	143,000	221,000
Total market value of assets	6,077,000	5,811,000

The actual return on scheme assets was £11,000 (2021 - £979,000).

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

	2022	<i>2021</i>
	£	£
Current service cost	(642,000)	(506,000)
Interest income	98,000	80,000
Interest cost	(137,000)	(111,000)
Administrative expenses	(4,000)	(3,000)
Total amount recognised in the Statement of financial activities	(685,000)	(540,000)

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

	2022	<i>2021</i>
	£	£
At 1 September	8,268,000	6,503,000
Current service cost	642,000	506,000
Interest cost	137,000	111,000
Employee contributions	67,000	61,000
Changes in assumptions	(4,065,000)	1,077,000
Benefits paid	(53,000)	10,000
At 31 August	4,996,000	8,268,000

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	5,811,000	4,537,000
Interest income	98,000	80,000
Expected return on assets (excluding net interest)	(87,000)	899,000
Employer contributions	245,000	227,000
Employee contributions	67,000	61,000
Benefits paid	(53,000)	10,000
Administrative expenses	(4,000)	(3,000)
At 31 August	6,077,000	5,811,000

The actuarial report valued a pension scheme surplus of £1,081,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

24. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Not later than 1 year	7,610	7,610
Later than 1 year and not later than 5 years	1,272	8,881
	8,882	16,491

25. 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.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. 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 Academy Trust 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.

