
DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

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DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Members

Bishop T McMahon (appointed 15 July 2013, resigned 1 July 2014)
Fr. D N Howarth, Trustee (appointed 15 July 2013)
Brentwood Roman Catholic Diocese (appointed 15 July 2013)
Bishop A S Williams (appointed 1 July 2014)

Trustees

Fr. D N Howarth (appointed 15 July 2013)
Fr. G Stokes (appointed 15 July 2013, resigned 31 October 2013)
N Kelsey- Cashell, Head Teacher (appointed 26 November 2013)^{1,2}
M Curnock (appointed 15 July 2013)

¹ Member of Finance Working Party

² Member of Pay & Personnel Committee

Company registered number

08610377

Registered office

Cathedral House
Ingrave Road
Brentwood
Essex
CM15 8AT

Principal operating office

St Teresa's Catholic Primary School
Elsenham Cresecent
Basildon
Essex
SS14 1UE

Senior management team

N Kelsey- Cashell, Head teacher
F Morris, Assistant head teacher
C Attaman, Business manager

Independent auditors

Haslers
Chartered Accountants
Statutory Auditor
Old Station Road
Loughton
Essex
IG10 4PL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014

Administrative details (continued)

Bankers

Lloyds Bank Plc
PO Box 1000
Andover
BX 1LT

Solicitors

Winckworth Sherwood
Minerva House
5 Montague
Close
London
SE1 9BB

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Diocese of Brentwood Multi Academy Trust (the academy) for the period ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates 1 primary academy - St. Teresa's Catholic Primary School - for pupils aged 4 to 11 serving a catchment area in Basildon. The academy has a pupil capacity of 210 and had a roll of 177 in the school at the Balance Sheet date.

The academy opened on 1 December 2013.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity. The academy trust was set up by a Memorandum of Association on 15 July 2013 and is governed by its Articles of Association. The trustees of the Diocese of Brentwood Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the period under review are included in the Reference and Administrative Details on page 1.

Trustees' Indemnity – Academy insurers encompass all relevant insurance including Trustee/Director/Governor third party indemnity provision

b. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The number of trustees shall not be less than 3 but shall not be subject to any maximum. The trustee appointments shall include a staff trustee.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All trustees are offered the opportunity to attend training courses offered by appropriate professional training providers, including Governor training from Essex County Council Governor Support Services. New trustees will be provided with all essential documentation needed to undertake their role, including:

- the memorandum and articles of association
- the schemes of delegation
- the master and supplementary funding agreements
- the financial regulations manual
- the DfE Academies Financial Handbook
- the familiarisation of the Academy including meeting the Governing Body, Headteacher, Staff and pupils and undertaking a tour of the school

e. ORGANISATIONAL STRUCTURE

The Board of Trustees have overall responsibility for the management of the academy trust. The accounting officer is the Headteacher of St Teresa's Catholic Primary School. The board have approved a scheme of delegation in order to delegate responsibility for the day-to day management of St Teresa's Catholic Primary School to the Headteacher and the Local Governing Body and its sub-committees.

In addition, the academy trust has appointed The Basildon Catholic Collegiate Trust (BCCT) as the vehicle to ensure the delivery of rapid and sustained improvement at St Teresa's Catholic Primary School. The BCCT operates as a collaborative group of four Catholic schools: St Anne Line Infant School, St Anne Line Junior School, De La Salle Secondary School and St Teresa's Catholic Primary School.

3 of the BCCT trustees are also trustees of the academy trust.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

See comment under Organisational Structure above for explanation of the relationship in place with the BCCT.

Objectives and Activities

a. OBJECTS AND AIMS

The objects of the academy trust are set out in the Memorandum and Articles of association. The main object is to advance, for the public benefit, education in the United Kingdom establishing, maintaining, carrying on and managing and developing academy schools which offer a broad and balanced curriculum for pupils of different abilities.

The principal aim at present is to ensure the rapid and sustained attainment and progress of the pupils of St. Teresa's Catholic Primary School resulting in good achievement of all pupils.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The BCCT works collaboratively to ensure rapid and sustained improvement at St Teresa's sharing good practice and teaching time, providing Teaching, Learning and Assessment work in EYFS, KS1 and KS2. The BCCT works to support the robust leadership and management of the Academy to ensure all children achieve their full potential and enjoy a smooth transition from Primary to Secondary School.

Robust Governance and sustained support from the BCCT of the leadership and management team is ensuring rapid and sustained improvement at St Teresa's. Underpinning each activity is the shared values that our schools are Christ Centred, thereby developing and deepening the faith journey and formation of every pupil and staff member.

The collaboration of the schools within the BCCT underpins the high aspirations for all the pupils in exchange for high accountability and collective responsibility for the performance and effective management of the improving Academy. Within Budget constraints, innovative resources have been purchased, the school learning environment has been improved and successful recruitment of teaching staff will continue to ensure rapid and sustained improvement at St Teresa's.

c. PUBLIC BENEFIT

The academy trust receives the majority of its income from the Department for Education for the provision of educational services to children and to ensure a broad and balanced curriculum. The trustees confirm that they have complied with their duty as charity trustees to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

a. Achievements and performance

St. Teresa's School SATs results are as follows:

| Key Stage 2 Results 2014 | Level 4+ | Level 5+ | Level 6 |
|---|----------|----------|---------|
| Reading | 100% | 43% | |
| Writing TA | 83% | 22% | |
| English Grammar, Punctuation and Spelling | 74% | 61% | |
| Maths | 91% | 6% | 4% |

Level 4 attainment is very much in line with the national averages.
There is room for further improvements in L4B+ in Maths.

| Key Stage 1 Results 2014 | Level 1+ | Level 2+ | Level 3+ | Age related 2B |
|--------------------------|----------|----------|----------|----------------|
| Reading | 96% | 82% | 26% | 82% |
| Writing TA | 96% | 82% | 15% | 78% |
| Maths | 100% | 85% | 22% | 85% |

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

d. REVIEW OF PERFORMANCE

The academy trust was incorporated on 15 July 2013, and took over the running of St Teresa's Catholic Primary School which converted to academy status on 1 December 2013. The opening balances transferred from the local authority included cash at bank of £10,654 and an opening liability in relation to the school's share of the Local Government Pension Scheme deficit of £377,000. The land taken on a long lease from the local authority transferred on conversion has been valued at £136,200. Overall this makes net opening deficit balances on conversion of £230,146.

Incoming resources for the year totalled £1,026,305 (£851,764 excluding fixed asset restricted funds) and a net deficit of £49,405 before actuarial gains/losses adjustments in connection with the pension fund. The net deficit includes the pension deficit inherited on conversion of £377,000 which increased to £386,000 by the period end and without this the academy trust would show a net surplus of £350,595.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

b. RESERVES POLICY

The level of reserves is kept under review by the Directors when setting the annual budget. This review takes account of projected income and expenditure, so far as this can be ascertained. Reserves are needed to provide sufficient working capital to maintain the day to day running of the school, to meet unexpected emergency costs such as maintenance and replacement of assets and to provide sufficient funds to meet any shortfall in funding in 2015/16 when the under-capacity start-up funding has ended.

The academy trust's free reserves (total funds less the amount held in fixed assets and restricted funds) as at 31 August 2014 were £18,728 (see Note 22).

c. DEFICIT

As explained above the overall deficit is as a result solely of the LPGS pension deficit on conversion and at the year end. The academy is not required to pay this deficit in the short term however it continues to make pension payments as they fall due and these include a deficit reduction element.

d. INVESTMENT POLICY

The academy trust has a policy of investing cash balances with a view to maximising returns, while ensuring that there is no risk to the capital, and that the funds are available when needed in line with cash flow projections.

Plans for future periods

a. FUTURE DEVELOPMENTS

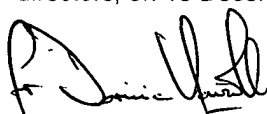
The Academy is looking forward to achieving full numbers on roll, a Good OFSTED judgment at the next inspection and continued rapid and sustained progress and attainment.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2014 and signed on the board's behalf by:



Fr. D N Howarth, Trustee
Chair of Trustees



N Kelsey-Cashell, Head Teacher
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Bishop T McMahon resigned 1 July 2014 | 0 | 7 |
| Fr. D N Howarth, Trustee (and foundation governor) | 7 | 7 |
| Brentwood Roman Catholic Diocese | 0 | 7 |
| Bishop A S Williams | 0 | 7 |
| Fr. D N Howarth | 7 | 7 |
| Fr. G Stokes (on behalf of the Bishop) | 3 | 7 |
| N Kelsey- Cashell, Head Teacher | 6 | 7 |
| M Curnock | 7 | 7 |

Below are the members of the Local Governing Body (LGB) of St Teresa's Catholic Primary school. The LGB met 6 times during the year and attendance at meetings was as follows:

| LGB member | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| N Kelsey Cashell, Head Teacher | 5 | 5 |
| Fr. D N Howarth, Trustee (and Foundation Gov.) | 5 | 5 |
| L Bourke, Chair of Governors | 5 | 5 |
| C Jones, Vice Chair of Governors | 5 | 5 |
| T Baker, Staff Governor | 4 | 5 |
| E Bishop, Foundation Governor | 3 | 3 |
| C O'Connor, Foundation Governor | 3 | 4 |
| J Onwufuju, Foundation Governor | 1 | 5 |
| P Parker, Associate Member | 0 | 5 |

The LGB established the following sub-committees, which met as required during the year:

Finance Working Party
Teaching and Learning
Equality
Pay and Personnel
Safeguarding
Headteacher Pay and Review

On 1 July 2014, Bishop T McMahon was succeeded by Bishop A S Williams (following his resignation on the

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GOVERNANCE STATEMENT (continued)

same day) and Mrs Onwufuju resigned 17 July 2014.

Governance reviews:

The trust intends to conduct a review of governance during 2014/15.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Diocese of Brentwood Multi Academy Trust for the period 15 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 15 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy'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 trustees;
- regular reviews by the Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Essex Education Services, a , as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the period ended 31 August 2014, Essex Education Services visited the academy on 3 separate occasions and carried out their internal controls evaluation as planned. All issues raised by the responsible officer were discussed by the Local Governing Body. There were no material control issues raised by the responsible officer. Recommended changes to procedures to ensure control checks are undertaken regularly and documented to evidence these checks have been adopted.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS


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

- the work of the Responsible Officer's Internal Controls Evaluation;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 18 December 2014 and signed on its behalf, by:


Fr. D N Howarth
Chair of Trustees


N Kelsey- Cashell, Head Teacher
Accounting Officer

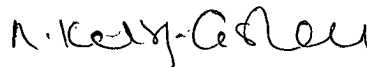
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Diocese of Brentwood Multi Academy Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

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


N Kelsey- CaShell, Head Teacher
Accounting Officer

Date: 18 December 2014

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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 18 December 2014 and signed on its behalf by:



Fr. D N Howarth, Trustee
Chair of Trustees

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DIOCESE OF BRENTWOOD
MULTI ACADEMY TRUST**

We have audited the financial statements of Diocese of Brentwood Multi Academy Trust for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

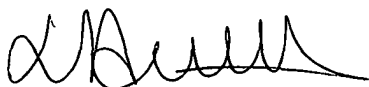
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DIOCESE OF BRENTWOOD
MULTI ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Laura A Ambrose (Senior statutory auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL
18 December 2014

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DIOCESE OF
BRENTWOOD MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Brentwood Multi Academy Trust during the period 15 July 2013 to 31 August 2014 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 Diocese of Brentwood Multi Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Brentwood Multi Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Diocese of Brentwood Multi Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Diocese of Brentwood Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 November 2013, and the Academies Financial Handbook extant from 1 September 2012, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 15 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

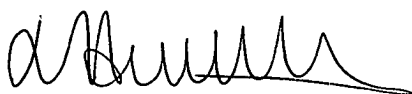
- a review of the Trustees and Governing Body's minutes of meetings
- a review of the Responsible Officers Reports
- a review of Financial Controls Procedures and related records
- discussions with the Accounting Officer and Business Manager

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DIOCESE OF
BRENTWOOD MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 15 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Laura A Ambrose

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

18 December 2014

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2014**

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| Transfer from local authority on conversion | 2 | - | - | 136,200 | 136,200 |
| Other voluntary income | 2 | 17,816 | - | 1,200 | 19,016 |
| Activities for generating funds | 3 | 773 | 21,087 | - | 21,860 |
| Investment income | 4 | 139 | - | - | 139 |
| Incoming resources from charitable activities | 5 | - | 801,518 | 37,141 | 838,659 |
| Other incoming resources | 6 | - | 10,431 | - | 10,431 |
| TOTAL INCOMING RESOURCES | | 18,728 | 833,036 | 174,541 | 1,026,305 |
| RESOURCES EXPENDED | | | | | |
| Costs inherited on conversion | | | | | |
| Pension deficit inherited on conversion | 7 | - | 377,000 | - | 377,000 |
| Charitable activities | | - | 622,633 | 872 | 623,505 |
| Governance costs | 8 | - | 75,205 | - | 75,205 |
| TOTAL RESOURCES EXPENDED | 11 | - | 1,074,838 | 872 | 1,075,710 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS | | 18,728 | (241,802) | 173,669 | (49,405) |
| Transfers between Funds | 22 | - | (1,415) | 1,415 | - |
| NET RESOURCES EXPENDED BEFORE REVALUATIONS | | 18,728 | (243,217) | 175,084 | (49,405) |
| Actuarial gains and losses on defined benefit pension schemes | | - | 14,000 | - | 14,000 |
| NET MOVEMENT IN FUNDS FOR THE PERIOD | | 18,728 | (229,217) | 175,084 | (35,405) |
| <i>Total funds at 15 July 2013</i> | | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 18,728 | (229,217) | 175,084 | (35,405) |

All of the academy's activities derive from acquisitions in the current financial period.

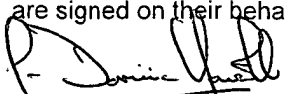
The notes on pages 21 to 41 form part of these financial statements.

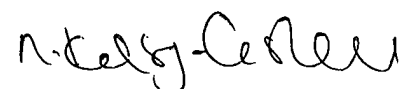
DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)
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BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £ | 2014 £ |
|---|------|------------------|------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 18 | | 175,084 |
| CURRENT ASSETS | | | |
| Stocks | 19 | 1,274 | |
| Debtors | 20 | 50,253 | |
| Cash at bank | | 198,475 | |
| | | <u>250,002</u> | |
| CREDITORS: amounts falling due within one year | 21 | <u>(74,491)</u> | |
| NET CURRENT ASSETS | | | <u>175,511</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>350,595</u> |
| Defined benefit pension scheme liability | 27 | | <u>(386,000)</u> |
| NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY | | | <u><u>(35,405)</u></u> |
| FUNDS OF THE ACADEMY | | | |
| Restricted funds: | | | |
| Restricted funds | 22 | 156,783 | |
| Restricted fixed asset funds | 22 | 175,084 | |
| | | <u>331,867</u> | |
| Restricted funds excluding pension liability | | | |
| Pension reserve | | <u>(386,000)</u> | |
| Total restricted funds | | | (54,133) |
| Unrestricted funds | 22 | | <u>18,728</u> |
| TOTAL DEFICIT | | | <u><u>(35,405)</u></u> |

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2014 and are signed on their behalf, by:


Fr. D N Howarth, Chair
Chair of Trustees


N Kelsey-Cashell, Head Teacher
Trustee

The notes on pages 21 to 41 form part of these financial statements.

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

| | Note | 2014 £ |
|--|------|----------------|
| Net cash flow from operating activities | 24 | 190,297 |
| Returns on investments and servicing of finance | 25 | 139 |
| Capital expenditure and financial investment | 25 | (2,615) |
| Cash transferred on conversion to an academy trust | 29 | 10,654 |
| INCREASE IN CASH IN THE PERIOD | | 198,475 |

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014

| | 2014 £ |
|--|----------------|
| Increase in cash in the period | 198,475 |
| MOVEMENT IN NET FUNDS IN THE PERIOD | 198,475 |
| NET FUNDS AT 31 AUGUST 2014 | 198,475 |

The notes on pages 21 to 41 form part of these financial statements.

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

'The assets and liabilities transferred on conversion from the local authority to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Diocese of Brentwood Multi Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Assets and liabilities transferred include Land valued at £136,200, Cash amounting to £10,654 and Pension deficit of £377,000. Further details of the transaction are set out in note 29.

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The current deficit position arises due to the pension deficit inherited on conversion which relates to the LGPS. The pension deficit at the year end is £386,000 and without this the academy would show net assets of £214,395.

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|--------------------------|---|-------------------|
| Computer equipment | - | 33% straight line |
| Improvements to property | - | 2% straight line |

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 Taxation

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

1.9 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 and the assets are held separately from those of the academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from St Teresa's Catholic Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Diocese of Brentwood Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. VOLUNTARY INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| Transfer from local authority on conversion (Note 29) | - | 136,200 | 136,200 |
| Donations | 7,162 | - | 7,162 |
| Grants | - | 1,200 | 1,200 |
| Funds transferred on conversion (Note 29) | 10,654 | - | 10,654 |
| Subtotal | 17,816 | 1,200 | 19,016 |
| Voluntary income | 17,816 | 137,400 | 155,216 |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|
| Catering income | - | 15,063 | 15,063 |
| Commission received | 773 | - | 773 |
| Other generated funds | - | 6,024 | 6,024 |
| | <u>773</u> | <u>21,087</u> | <u>21,860</u> |

4. INVESTMENT INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|
| Bank interest received | 139 | - | 139 |
| | <u>139</u> | <u>-</u> | <u>139</u> |

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/EFA revenue grants | | | |
| General Annual Grant (GAG) | - | 610,075 | 610,075 |
| Start up grants | - | 25,000 | 25,000 |
| Capital grants | - | 37,141 | 37,141 |
| Other DfE/EFA grants | - | 36,871 | 36,871 |
| Sponsorship income | - | 110,000 | 110,000 |
| | <u>-</u> | <u>819,087</u> | <u>819,087</u> |
| Other government grants | | | |
| Local Authority grants | - | 19,572 | 19,572 |
| | <u>-</u> | <u>19,572</u> | <u>19,572</u> |
| | <u>-</u> | <u>838,659</u> | <u>838,659</u> |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

6. OTHER INCOMING RESOURCES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| Insurance benefit - supply teachers cover | - | 10,431 | 10,431 |

7. COSTS INHERITED ON CONVERSION

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| Pension deficit inherited on conversion | - | 377,000 | 377,000 |

8. GOVERNANCE COSTS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Governance Auditors' remuneration | - | 4,650 | 4,650 |
| Governance Auditors' non audit costs | - | 4,263 | 4,263 |
| Legal and professional fees | - | 43,292 | 43,292 |
| Support staff costs | - | 23,000 | 23,000 |
| | - | 75,205 | 75,205 |

9. DIRECT COSTS

| | Educational operations £ | Total 2014 £ |
|---------------------------|--------------------------------|--------------------|
| Educational supplies | 20,692 | 20,692 |
| Technology costs | 4,804 | 4,804 |
| Staff development | 3,326 | 3,326 |
| Agency supply costs | 26,532 | 26,532 |
| Motor and travel expenses | 2,190 | 2,190 |
| Educational consultancy | 4,374 | 4,374 |
| Redundancy costs | 3,250 | 3,250 |
| Wages and salaries | 322,382 | 322,382 |
| National insurance | 22,074 | 22,074 |
| Pension cost | 49,527 | 49,527 |
| | 459,151 | 459,151 |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

10. SUPPORT COSTS

| | Governance £ | Educational operations £ | Total 2014 £ |
|------------------------------------|-----------------|--------------------------------|--------------------|
| Technology costs | - | 1,584 | 1,584 |
| Catering costs | - | 11,697 | 11,697 |
| Premises and equipment maintenance | - | 6,899 | 6,899 |
| Cleaning costs | - | 978 | 978 |
| Energy costs | - | 8,035 | 8,035 |
| Motor and travel expenses | - | 1,630 | 1,630 |
| Rent and rates | - | 4,364 | 4,364 |
| Other costs | - | 4,066 | 4,066 |
| Legal and professional fees | - | 5,990 | 5,990 |
| Insurances | - | 10,315 | 10,315 |
| Redundancy costs | - | 3,739 | 3,739 |
| Wages and salaries | - | 87,800 | 87,800 |
| National insurance | - | 3,615 | 3,615 |
| Pension cost | 23,000 | 12,770 | 35,770 |
| Depreciation | - | 872 | 872 |
| | <u>23,000</u> | <u>164,354</u> | <u>187,354</u> |

11. RESOURCES EXPENDED

| | Staff costs 2014 £ | Non Pay Expenditure Other costs 2014 £ | Total 2014 £ |
|---|--------------------------|--|--------------------|
| Pension deficit inherited on conversion | - | 377,000 | 377,000 |
| Costs inherited on conversion | - | 377,000 | 377,000 |
| Educational operations | 423,766 | 35,385 | 459,151 |
| Support costs - Educational operations | 107,923 | 56,431 | 164,354 |
| Charitable activities | 531,689 | 91,816 | 623,505 |
| Governance | 23,000 | 52,205 | 75,205 |
| | <u>554,689</u> | <u>521,021</u> | <u>1,075,710</u> |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2014 £ | Support costs 2014 £ | Total 2014 £ |
|------------------------|---|-------------------------------|--------------------|
| Educational operations | 459,151 | 164,354 | 623,505 |

13. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | 2014 £ |
|--|--------------|
| Depreciation of tangible fixed assets: - owned by the charity | 872 |
| Auditors' remuneration | 4,650 |
| | <u>5,522</u> |

14. STAFF

a. Staff costs

Staff costs were as follows:

| | 2014 £ |
|-------------------------------|----------------|
| Wages and salaries | 410,182 |
| Social security costs | 25,689 |
| Other pension costs (Note 27) | 85,297 |
| | <u>521,168</u> |
| Supply teacher costs | 26,532 |
| Redundancy costs | 6,989 |
| | <u>554,689</u> |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

14. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

| | 2014 No. |
|----------------------------|----------------|
| Teachers | 5 |
| Administration and support | 16 |
| Management | 3 |
| | <hr/> 24 <hr/> |

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contribution for this staff member amounted to £6,192.

15. CENTRAL SERVICES

No central services were provided by the academy to its academies during the period and no central charges arose.

16. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

| | 2014 £ |
|---------------------------------|---------------|
| N Kelsey-Cashell (Head Teacher) | 50,000-55,000 |

During the period, no Trustees received any remuneration other than that disclosed above.

During the period, no Trustees received any benefits in kind.

During the period ended 31 August 2014, expenses totalling £829 were reimbursed to 1 Trustee.

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

17. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was £187. The cost of this insurance is included in the total insurance cost.

18. TANGIBLE FIXED ASSETS

| | Land £ | Computer equipment £ | Improvement to property £ | Total £ |
|------------------------|-----------|----------------------------|---------------------------------|------------|
| Cost | | | | |
| Additions | - | 2,615 | 37,141 | 39,756 |
| Transfer on conversion | 136,200 | - | - | 136,200 |
| At 31 August 2014 | 136,200 | 2,615 | 37,141 | 175,956 |
| Depreciation | | | | |
| Charge for the period | - | 872 | - | 872 |
| At 31 August 2014 | - | 872 | - | 872 |
| Net book value | | | | |
| At 31 August 2014 | 136,200 | 1,743 | 37,141 | 175,084 |

The land inherited on conversion represents the playing field acquired from the Local Authority on a long lease and was valued by professional valuers, Barker Associates, for the purposes of inclusion in these financial statements.

19. STOCKS

| | 2014 £ |
|-------------------------------------|-----------|
| Finished goods and goods for resale | 1,274 |

20. DEBTORS

| | 2014 £ |
|--------------------------------|-----------|
| Other debtors | 26,814 |
| Prepayments and accrued income | 23,439 |
| | 50,253 |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

21. CREDITORS:
Amounts falling due within one year

| | 2014 £ |
|------------------------------------|---------------|
| Trade creditors | 2,651 |
| Other taxation and social security | 9,836 |
| Other creditors | 9,231 |
| Accruals and deferred income | 52,773 |
| | <u>74,491</u> |
| | £ |
| Deferred income | |
| Resources deferred during the year | <u>19,940</u> |

At the balance sheet date the academy trust was holding funds received in advance in connection with government grants earmarked for the 2014/15 academic year.

22. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|--------------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | - | 18,728 | - | - | - | 18,728 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 610,075 | (478,340) | 1,200 | - | 132,935 |
| Start up and Sponsorship grant | - | 135,000 | (108,537) | (2,615) | - | 23,848 |
| Other DfE/EFA grants | - | 41,278 | (41,278) | - | - | - |
| Local Authority funding | - | 15,165 | (15,165) | - | - | - |
| Other funds | - | 31,518 | (31,518) | - | - | - |
| Pension reserve | - | - | (400,000) | - | 14,000 | (386,000) |
| | <u>-</u> | <u>833,036</u> | <u>(1,074,838)</u> | <u>(1,415)</u> | <u>14,000</u> | <u>(229,217)</u> |

DIOCESE OF BRENTWOOD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

| | | | | | | |
|--|---|-----------|-------------|---------|--------|----------|
| DfE/EFA capital grant | - | 37,141 | (872) | 2,615 | - | 38,884 |
| Fixed assets transferred on conversion | - | 136,200 | - | - | - | 136,200 |
| Private sector capital sponsorship | - | 1,200 | - | (1,200) | - | - |
| | - | 174,541 | (872) | 1,415 | - | 175,084 |
| Total restricted funds | - | 1,007,577 | (1,075,710) | - | 14,000 | (54,133) |
| Total of funds | - | 1,026,305 | (1,075,710) | - | 14,000 | (35,405) |

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

General Annual Grant (GAG) - The General Annual Grant is received from the EFA under the General Annual Grant arrangements to cover the normal recurrent expenditure of the Academy which include salaries, overheads, premises and curriculum costs as defined in the Funding Agreement.

Start up and Sponsorship grant - EFA grant and associated costs to support the opening of the school.

Other DfE/EFA and government grants - Other grants include funding received from the DfE and Local Authorities for specific purposes in connection with the educational operations.

Local Authority funding - Funding received from the Essex County Council for purposes including Special Educational Needs projects as well as for nursery activities.

Other funds - Income generated for catering purposes and other activities run by the Academy for the benefit of the pupils.

Pension Reserve - This reserve is the element of the Local Government Pension Fund liability attributable to the Academy (see also Note 27).

Restricted Fixed Asset Funds - these funds include grants received from the DfE and other sources to finance the acquisition of fixed assets and to which the related depreciation is charged.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

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22. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

| | |
|-------------------------------------|-----------------|
| St Teresa's Catholic Primary School | 175,511 |
| Restricted fixed asset fund | 175,084 |
| Pension reserve | (386,000) |
| Total | <u>(35,405)</u> |

The following academy is carrying a net deficit on its portion of the funds as follows:

| Name of academy | Amount of deficit £ |
|-------------------------------------|------------------------|
| St Teresa's Catholic Primary School | (35,405) |

The deficit arises due to the Pension deficit inherited on conversion.

The academy is taking the following action to return the academy to surplus:

The academy will continue to monitor its expenditure to ensure a surplus is achieved year on year to a level sufficient to cover or reduce significantly the existing balance.

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding deprn £ | Total £ |
|--|---|--------------------------------------|------------------------------|--|------------------|
| St Teresa's Catholic Primary School | <u>420,372</u> | <u>125,074</u> | <u>20,692</u> | <u>508,700</u> | <u>1,074,838</u> |

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| General funds | - | 18,728 | - | - | - | 18,728 |
| Restricted funds | - | 833,036 | (1,074,838) | (1,415) | 14,000 | (229,217) |
| Restricted fixed asset funds | - | 174,541 | (872) | 1,415 | - | 175,084 |
| | <u>-</u> | <u>1,026,305</u> | <u>(1,075,710)</u> | <u>-</u> | <u>14,000</u> | <u>(35,405)</u> |

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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 175,084 | 175,084 |
| Current assets | 18,728 | 231,274 | - | 250,002 |
| Creditors due within one year | - | (74,491) | - | (74,491) |
| Provisions for liabilities and charges | - | (386,000) | - | (386,000) |
| | <u>18,728</u> | <u>(229,217)</u> | <u>175,084</u> | <u>(35,405)</u> |

24. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2014 £ |
|--|-----------------------|
| Net incoming resources before revaluations | (49,405) |
| Returns on investments and servicing of finance | (139) |
| Depreciation of tangible fixed assets | 872 |
| Asset transferred on conversion to an academy trust' | (136,200) |
| Capital grants from DfE | (37,141) |
| Increase in stocks | (1,274) |
| Increase in debtors | (50,253) |
| Increase in creditors | 74,491 |
| Decrease in amounts owed to participating interests | (10,654) |
| Pension deficit inherited on conversion | 377,000 |
| FRS 17 adjustments | 23,000 |
| Net cash inflow from operations | <u><u>190,297</u></u> |

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2014 £ |
|---|-------------------|
| Returns on investments and servicing of finance | |
| Interest received | <u><u>139</u></u> |

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25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 2014 £ |
|---|----------------|
| Capital expenditure and financial investment | |
| Purchase of tangible fixed assets | (39,756) |
| Capital grants from DfE | 37,141 |
| Net cash outflow capital expenditure | <u>(2,615)</u> |

26. ANALYSIS OF CHANGES IN NET FUNDS

| | 15 July 2013 £ | Cash flow £ | Other non-cash changes £ | 31 August 2014 £ |
|---------------------------|----------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | - | 198,475 | - | 198,475 |
| Net funds | <u>-</u> | <u>198,475</u> | <u>-</u> | <u>198,475</u> |

27. PENSION AND SIMILAR OBLIGATIONS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex City Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2014.

Contributions amounting to £9,180 were payable to the scheme at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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27. PENSION AND SIMILAR OBLIGATIONS (continued)

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence

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27. PENSION AND SIMILAR OBLIGATIONS (continued)

on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £37,195, of which employer's contributions totalled £29,092 and employees' contributions totalled £8,104. The agreed contribution rates for future years are 16.8%% for employers and 10% to 17%% for employees.

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

As described in note 29 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 period. 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.

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ |
|------------------------------|---|---|
| Equities | 6.10 | 73,000 |
| Gilts | 3.00 | 7,000 |
| Other bonds | 3.60 | 12,000 |
| Property | 5.10 | 13,000 |
| Cash | 2.90 | 3,000 |
| Alternative assets | 3.60 | 4,000 |
| Total market value of assets | | <u>112,000</u> |
| Surplus in the scheme | | <u><u>112,000</u></u> |

The expected return on assets is based on the long-term future expected investment return for each asset classes as at the beginning of the period (i.e. as at 1 September 2014) for the year to 31 August 2015. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields. We have adopted the following expected returns.

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27. PENSION AND SIMILAR OBLIGATIONS (continued)

The amounts recognised in the Balance sheet are as follows:

| | 2014 £ |
|-------------------------------------|-------------|
| Present value of funded obligations | (498,000) |
| Fair value of scheme assets | 112,000 |
| | <hr/> |
| Net liability | (386,000) |
| | <hr/> <hr/> |

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

| | 2014 £ |
|----------------------------------|-------------|
| Current service cost | (40,000) |
| Interest on obligation | (16,000) |
| Expected return on scheme assets | 4,000 |
| | <hr/> |
| Total | (52,000) |
| | <hr/> <hr/> |
| Actual return on scheme assets | 7,000 |
| | <hr/> <hr/> |

Movements in the present value of the defined benefit obligation were as follows:

| | 2014 £ |
|--------------------------------------|-------------|
| Opening defined benefit obligation | 445,000 |
| Current service cost | 40,000 |
| Contributions by scheme participants | 8,000 |
| Actuarial Gains | (11,000) |
| Interest cost | 16,000 |
| | <hr/> |
| Closing defined benefit obligation | 498,000 |
| | <hr/> <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Movements in the fair value of the academy's share of scheme assets:

| | 2014 £ |
|-------------------------------------|----------------|
| Opening fair value of scheme assets | 68,000 |
| Actuarial gains and (losses) | 3,000 |
| Contributions by employer | 29,000 |
| Contributions by employees | 8,000 |
| Expected return on assets | 4,000 |
| | <u>112,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £14,000.

The academy expects to contribute £38,000 to its Defined benefit pension scheme in 2015.

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

| | 2014 |
|--------------------|---------|
| Equities | 64.00 % |
| Gilts | 6.00 % |
| Other Bonds | 11.00 % |
| Property | 12.00 % |
| Cash | 3.00 % |
| Alternative assets | 4.00 % |

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

| | 2014 |
|--|--------|
| Discount rate for scheme liabilities | 4.00 % |
| Expected return on scheme assets at 31 August | 8.00 % |
| Rate of increase in salaries | 4.50 % |
| Rate of increase for pensions in payment / inflation | 2.70 % |
| Inflation assumption (CPI) | 2.70 % |

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

| | 2014 |
|----------------------|------|
| Retiring today | |
| Males | 22.7 |
| Females | 25.1 |
| Retiring in 20 years | |
| Males | 24.9 |
| Females | 27.4 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

| | |
|--|-----------|
| | 2014 £ |
| Defined benefit obligation | (498,000) |
| Scheme assets | 112,000 |
| Deficit | (386,000) |
| Experience adjustments on scheme liabilities | 11,000 |
| Experience adjustments on scheme assets | 3,000 |

28. RELATED PARTY TRANSACTIONS

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

Basildon Catholic Collegiate Trust (BCCT) - common trusteeship. The BCCT was specifically set up to act as a delivery vehicle for the Trust in connection with raising the standards and achievement in the current sole academy operating under the Trust, St Teresa's Catholic Primary School, Basildon.

Our Lady & All Saints Parish - this is one of many churches existing under the umbrella of the Diocese of Brentwood and Fr D N Howarth is the parish priest. Bishop Thomas, a member of the Multi Academy Trust, is also the head of the Diocese of Brentwood.

During the year the following transactions occurred with the related parties noted above:

The Multi Academy Trust paid professional fees totalling £9,406 that were incurred by the BCCT in connection with the duties and responsibilities carried out on behalf of the Trust. At the year end date, the BCCT held £5,000 of the sponsorship income received by the Multi Academy Trust in the year on its behalf.

Our Lady & All Saints Parish donated income totalling £4,000 to the Academy earmarked for spending in the 2014/15 and 2015/16 academic years.

29. CONVERSION TO AN ACADEMY TRUST

On 1 December 2013 St Teresa's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Brentwood Multi Academy Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net resources expended in the Statement of financial activities

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29. CONVERSION TO AN ACADEMY TRUST (continued)

as other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------------|----------------------------|--------------------------|---|---------------------|
| Leasehold Land | - | - | 136,200 | 136,200 |
| Other assets | 10,654 | - | - | 10,654 |
| LGPS pension surplus/(deficit) | - | (377,000) | - | (377,000) |
| Net assets/(liabilities) | <u>10,654</u> | <u>(377,000)</u> | <u>136,200</u> | <u>(230,146)</u> |

The above net assets/(liabilities) include £10,654 that were transferred as cash.