
BRADGATE EDUCATION PARTNERSHIP

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	H Bakewell G Hussey (appointed 13 November 2018) J Ingleton K Lock H Seary (appointed 18 September 2019)
Trustees	S M Cotton, Chair of Trustees from 19 September 2019 D Ellis S Hall K L Lock (resigned 31 August 2019) G P Nelmes, Chief Executive Officer and Accounting Officer G R Payne H M Seary, Chair of Trustees to 18 September 2019
Company Registered Number	08168237
Company Name	Bradgate Education Partnership
Principal and Registered Office	Trust Offices Wreake Valley Academy Parkstone Road Syston Leicester LE7 1LY
Senior Management Team	Gareth Nelmes, Chief Executive Officer Dean Pomeroy, Director of Primary Schools James Tickle, Director of Secondary Schools Lauren Gray, Director of HR Sarah Edge, Finance Manager / CFO
Independent Auditors	Streets Audit LLP Chartered Accountant and Statutory Auditors Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank Plc 7 Sherrard Street Melton Mowbray Leicestershire LE13 1XR
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

BRADGATE EDUCATION PARTNERSHIP
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The Trust operates fourteen academies (as at 1 September 2019) for pupils aged 4 to 18 serving a catchment area in Leicestershire. For the year ended 31 August 2019 it had a pupil capacity of 5,105, plus a sixth form of 283, in thirteen academies and had a roll of 4,192 in the school census in October 2018.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Bradgate Education Partnership are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bradgate Education Partnership.

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

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £2,884.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, Members of the Trust appoint a minimum of 3 Trustees. There is no maximum number of Trustees and the Trust currently aims to operate with 7 Trustees.

Trustees are appointed for a period of four years. On completion of the four year term, retiring Trustees are eligible for re-election.

The Trustees have set up procedures which enable regular reviews of the mix of skills that should be available to the Board. The Trustees are then sought with these skills as replacements when existing Trustees stand down. Potential Trustees are asked to submit a 'pen picture' detailing their relevant skills and expertise to Members. It is anticipated that most new Trustees will be drawn from the local community or others who have shown an interest in the future well-being of the Trust, the Academies within the Trust and the students. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within the local area.

Policies and Procedures Adopted for the Induction and Training of Trustees.

Individual Trustees attend training courses, primarily through the STEP TSA or through other appropriate bodies, in order to ensure their knowledge and understanding is up to date. Briefings for the Board and the Senior Management Team are carried out based on areas of potential interest and/or concern.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

Bradgate Education Partnership (BEP) is a Multi-Academy Trust with each Academy retaining its own identify and managing its own school budget. The BEP Board of Trustees meets termly and provided strategic direction to BEP and individual Academies.

The Trust now has 5 Members who are the Trust custodians and they ensure operation within the scope of the Articles of Association.

There are 7 Trustees who hold the Chief Executive Officer (CEO) and the other members of executive team to account. The Trustees support the academy Local Advisory Boards (previously Local Governing Body) and act as a conduit between the Trust and the Academies. Due to the size of the trust and the scope of associated responsibilities the Trust Board will look to expand its number during 2019/20.

Each Academy within the Trust has a Local Advisory Board (LAB) which is responsible for delegated items in accordance with the scheme of delegation.

Local Advisory Boards (LABs) for each of the Academies adopt individual school improvement plans, recommend the annual budget for approval by the Trust Board, monitor academic performance and take decisions on the operations using delegated powers, as set out in the BEP Scheme of Delegation.

The Trustees have responsibility for setting and monitoring the overall strategic direction of the charitable Company, approving decisions reserved for Trustees and appointing key members of staff.

LABs are responsible for the conduct of their respective Academies in accordance with the objectives of the Trust.

The Trustees determine the general policy of the Trust. The day to day running of the Trust is delegated to the CEO and Senior Management Team, supported by the Headteachers of the individual Academies. The CEO and Director of Schools undertake the key leadership role overseeing educational and strategic functions. The day-to-day running of the individual schools is the responsibility of Headteachers. Administration is undertaken within the policies and procedures approved by the Trustees. Only significant expense decisions, including for major capital projects, are referred to Trustees prior to approval.

The Senior Management Team oversees recruitment of all central staff and advises local advisory boards on the appointment of Headteachers. The appointments of senior Trust staff and academy Headteachers are recommended to the Trust Board for approval by Trustees. The CEO is an ex officio Trustee, Accounting Officer and attends all meetings. The CFO is invited to attend Trustee meetings as appropriate.

Trustees meet at least four times a year as a full board. The Trust supports the effective running of the 14 Academies through the following Committees:

- Pay, Performance and Management and Personnel;
- Performance and Standards; and
- Finance, Audit and Risk.

At the first meeting in that year, Trustees elect a Chairman and Vice Chairman from among their numbers. A Trustee who is employed by the Trust shall not be eligible for election as a Chairman or Vice Chairman. In addition to the 4 Trustees meetings there are also additional Committee meetings which usually meet at least once a term, including Performance Management, Finance, Curriculum, Health and Safety and Planning. Furthermore, certain responsibilities are delegated to local advisory boards in accordance with the scheme of delegation. The clerk to the Trustees is responsible for preparing agendas and papers and sending out the minutes. The CFO is responsible for preparing the schools accounts.

Operational management is led by the CEO. The Trust employs a Director of Schools and two Lead

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FOR THE YEAR ENDED 31 AUGUST 2019

Practitioners, who also support effective Teaching School Alliance working.

All the Trustees give their time freely.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

With the exception of the CEO, members of the Board of Trustees are not entitled to receive any remuneration for loss of earnings as a result of their post as a Trustee of Bradgate Education Partnership.

In the Autumn of each year the Pay Review Panel, consisting of nominated Trustees, will receive information from an independent performance review assessor concerning the salary of the CEO. Recommendations are made for the movement up the CEO's salary range, the basis for which the CEO is currently paid, and will identify the recommended number of progression points proposed. The Trust's Pay Review Panel also receives the performance review recommendations for Headteachers' pay, and ratifies Headteachers' recommendations for teaching staff pay.

In addition, the arrangements for setting the pay and remuneration of the Academies Key Management Personnel depends on the level of responsibility. Teaching staff in the Academy Trust are paid in accordance with school teachers pay and conditions 2018. The Trust follows the advice of its HR Manager. Trustees benchmark senior executive pay against Trusts of a similar size and structure to Bradgate Education Partnership. This along with HR advice is taken into consideration to support their decision making.

During 2018/19 Trustees commissioned a consultant (John Turner Consulting) to scrutinise central staff structures and make recommendations concerning remuneration which was benchmarked against trusts of a comparative size and structure, revisiting work carried out during 2017/18 and providing external assurance regarding executive pay.

Related Parties and Other Connected Charities and Organisations

The Trust runs the STEP TSA. It has been incorporated by member schools as a vehicle to combine the respective expertise for the purpose of supporting collaboration between the schools, to deliver school improvement and capture best practice.

Member schools acknowledge that collaboration and the Partnership is embedded in the school system. The schools therefore work together and support each other through the TSA model to raise standards across the schools and improve achievement levels.

The schools in the STEP group use their working relationships to cooperate with each other and to deliver the aims and objectives of STEP. The schools work in good faith, and the spirit of openness, honesty, trust and respect for each other and each other's roles.

The group has grown from strength to strength, and in 2014 was awarded designated teaching school status in the group to create the STEP teaching school alliance (STEP TSA). The group has evolved into a thriving Partnership of 20 primary and secondary schools from across Leicester, Leicestershire and surrounding areas.

The finances of STEP TSA are run through the Trust, and are held within the Trust. Details of the STEP reserves as at 31 August 2019 can be found in note 28 of the financial statements.

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TRUSTEES' REPORT (CONTINUED)
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Trade Union Facility Time

Information, as it applies to the Academy Trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1 April 2018 to 31 March 2019 (the relevant period).

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	3.5

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	4
1-50%	-
51-99%	-
100%	-

Percentage of pay bill spent on facility time:

	£000
Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	- %

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	- %
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Objectives and Activities

Objects and Aims

The Academy Trust's objectives ("the Objectives") are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom. In particular, but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools, which offer a broad and balanced curriculum ("the mainstream Academies"). Educational institutions, which are principally concerned with providing full-time or part-time education for children of compulsory school age who, because of illness, exclusion from school or otherwise, may not for any period receive suitable education, unless alternative provision is made for them ("the alternative provision Academies"). 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies"). Schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated, the provision of facilities for recreation or other leisure time occupation of individuals. This is for those who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship, or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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Objectives, Strategies and Activities

Mission Statement:

To create high quality educational opportunities for all children and young people across the Partnership, by developing a strong collaborative and co-operative model, through which we encourage autonomy, share best practice, enhance the professional aspirations of our staff, and ensure the safety and well-being of all pupils and staff

Public Benefit

In addition to the principal educational activities detailed above, the Trust aims to promote itself for the benefit of individuals living in the Syston and Thurmaston area. For those who have the need because of their age, infirmity or disability, financial hardship, or social or economic circumstances. Also for the public at large, the provision of facilities for recreation or other leisure time, which is in the interests of society, with the objective of improving the condition of life for individuals.

Trustees have complied with their duty to have due regard to the guidance on public benefit published by the charity commission.

Strategic report

Achievements and Performance

The Bradgate Education Partnership is a primary and secondary Multi-Academy Trust (MAT) based in Leicestershire. The MAT was incorporated on the 1st September 2016. Although the education model has been adopted for developing individuals and schools, to ensure each pupil has the chance to reach their full potential. The ethos behind the Trust is one based on autonomy, where possible, and sustainable school improvement.

All schools within the Trust have equal access to the professional expertise and development opportunities through the Teaching School: STEP Teaching School Alliance. The teaching school has been operational for 4 years and not only supports all of the Trust schools, but also the wider area across the Local Authority.

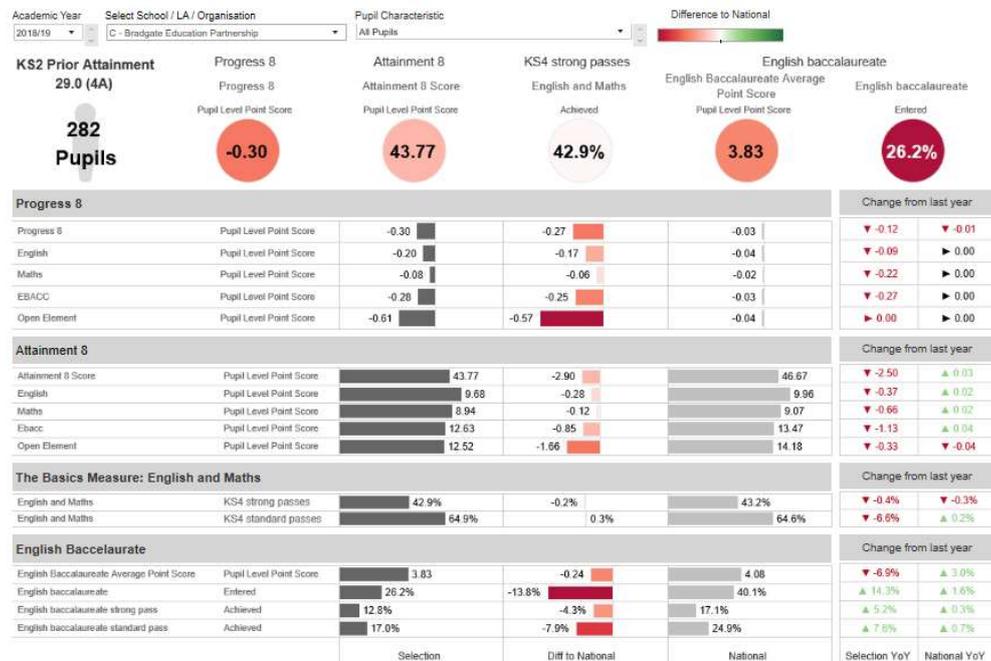
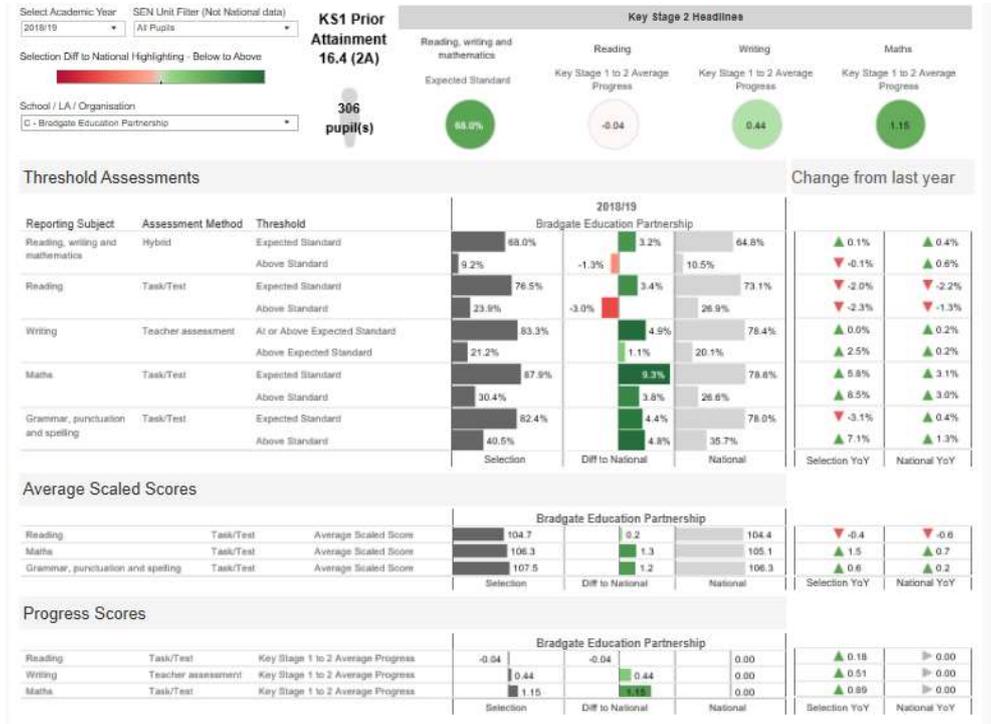
The Trust is a unique and forward thinking Trust, which values school leaders to lead their own schools, with their own retained autonomy, where possible. The Trust is fortunate to have a highly skilled Trust Board members, who can support and challenge each other to ensure achievement of long term goals.

Key Performance Indicators

2018/19 has been a highly successful year of operation for the Trust. The following tables give a snapshot of the educational outcomes for pupil across all schools.

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Select School / Organisation
C - Wreake Valley Academy

Measure Names (Highlight to show figures)
■ National ■ Selection
■ LA

Please Note:
Only National and LA comparators shown for the data available for the selection

Pupil Characteristic
All Pupils

Dashboard Notes:
Pre 2015/16 New points converted using the following calculation: (Average Old Point Score per Entry / 3) - 40

^{**} Vocational APS per Entry pre 2015/16 only, Applied General and Tech Level for all years 2015/16 onwards ^{**}

Wreake Valley Academy

APS or Average Grade
APS

Qualification Type	Academic Year	Number of Pupils	Selection value	LA State Funded Schools	National All Schools
Key Stage 5 Overall	2012/13	107	30.0	29.8	31.2
	2013/14	101	29.5	30.2	31.5
	2014/15	81	26.8	29.8	32.0
	2015/16	120	28.1	29.5	32.4
	2016/17	92	27.8	30.9	33.2
	2017/18	94	25.6	31.0	33.1
	2018/19	83	29.3	31.7	33.2
Academic	2012/13	107	30.0	29.4	31.9
	2013/14	101	29.5	29.8	31.9
	2014/15	81	26.8	29.2	32.1
	2015/16	120	28.1	28.9	32.1
	2016/17	92	27.8	30.3	32.7
	2017/18	94	24.9	31.0	33.7
	2018/19	83	29.1	31.8	34.1
A-Level	2012/13	107	30.0	29.4	31.9
	2013/14	101	29.5	29.7	31.8
	2014/15	81	26.8	29.1	32.0
	2015/16	120	28.1	28.8	31.8
	2016/17	92	27.8	30.2	32.4
	2017/18	94	24.9	30.8	33.3
	2018/19	83	29.1	31.7	33.8
Applied General & Vocational	2017/18	14	38.6	30.9	28.5
	2018/19	7	34.3	30.4	28.4

Analysis by Qualification Type

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TRUSTEES' REPORT (CONTINUED)
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The educational performance across the Trust in the primary sector is generally strong. From 2016 to current the Trust has continued to make steady and positive improvements against almost all pupil performance benchmarks. The 2019 data shows that at the end of KS2 the Trust currently performs above National Averages at all areas of 'expected' levels, with average progress from KS1 to KS2 improved to broadly in line or above National figures. At the end of KS2 pupils achieving 'above expected' levels have risen, but this is not yet in line with National for reading. Given the positive Ofsted profile of the schools across the Trust and these consistent and improving end of KS2 outcomes, as well as good outcomes at the end of EYFS, Phonics & KS1, there is a strong foundation for further future improvements within the primary estate.

At the end of EYFS the number of pupils achieving a Good Level of Development is now improved and at National averages. At the end of Key Stage 1 numbers of pupils achieving the expected level in reading, writing and maths is broadly in line with national averages with little variation for groups. However, some other key measures, although broadly in line with national, are slightly below. Standards by the end of KS1 are an area for marginal gain going forward.

Overall, the position across the secondary estate is relatively challenging, and more so than the primary estate. The current position at TRA is educationally stable, although they are facing some identified issues and a very challenging financial recovery.

WVA has more long-term, significant and widespread concerns. Lots of issues to tackle which if not suitably tackled and improved have the potential to destabilise the overall performance of the Trust..

Going Concern

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

Financial Review

Most of the Trust's income in the year was obtained from the DFE and ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received for the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP Accounting by Charities, grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds.

The Balance Sheet restricted fixed asset fund is reduced by any depreciation charges over the expected useful life of the assets concerned. The net book value of fixed assets was £45,080,000. The assets were used for providing education and the associated support services to the students of the academies within the Trust.

The Trust's non teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme, and consequently the Trust balance sheet shows a net liability of £12,631,000. It should be noted that this does not present the Trust with any current liquidity problems.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management and limits of delegated authority for spending. Other policies reviewed and updated included Health and Safety, HR and Pay related policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

The Trustees Policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust, and to fund future projects. The Trustees will ensure that the levels of Reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the DFE on the treatment of GAG income and other grants. The Trust will aim to only carry forward reserves that it considers are necessary for future year's expenditure with regard for:

- Forecasts of levels of income in future years.
- Forecasts for expenditure in future years.
- Analysis of any future development needs and opportunities that could not be met out of annual income.
- Analysis and forecast of cashflow and fund management.

There is no absolute level of free reserves that the Trust maintains, however Schools are directed to target a minimum of one month running costs as a free reserves in order to insure against unforeseen circumstances. The intention is to review this policy in 2018/19 with a view to ensuring that any reserves are not static and are linked to the Trust investment policy.

At the Balance Sheet date, the charitable company had total reserves amounting to £35,161,000 of which £2,492,000 were free reserves (unrestricted funds plus restricted income funds less the pension reserve).

Of the total restricted fixed asset fund of £45,300,000, £45,080,000 can only be realised through the disposal of fixed assets.

Investment Policy

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the objectives. To invest in the name of the Trust such part of the funds as they may see fit, and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objectives."

The investment policy objectives are:

- To achieve best financial return available, whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest fund surpluses to operational need, based on all financial commitments being met, without the Academy bank account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill, and consequently be in the best interests of the Academy, and commanding broad public support.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Trust grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement). Where significant financial risk remains, Trustees have ensured they have adequate insurance cover.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The principal risks and uncertainties facing the Trust are as follows:

- The Trust has considerable reliance on continued Government funding through the Education and Skills Funding Agency. While the current level of funding is expected to continue, there is no assurance that government policy or practice will remain the same, or that public funding will continue at the same level or on the same terms.
- As the Trust remains highly reliant on Government Funding, the Schools therefore remain highly reliant on pupil admissions. There exists a risk that one or more schools may not continue to attract sufficient pupil numbers to support current expenditure, and therefore income and expenditure applied to 5 year plans continues to be closely monitored.
- The success of the Trust is reliant on the quality of its staff, the Trustees monitor and review policies and procedures to ensure continued development and training of staff, as well as ensuring there is clear succession planning.
- As the Trust has expanded there exists the potential for a lack of consistency with regard to support staff remuneration across the Trust.

Risk Management

The Trust has undertaken a full review of the main areas of risks which it faces. This includes all health and safety, and child protection policies and procedures. In addition, a review of all financial risks is undertaken on a regular basis.

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. The process involves identifying the types of risk the Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks.

A Trust risk register is maintained which identifies principle risks and provides a record of the mitigations in place to manage the individual risks. This register is reviewed on a regular basis by senior leaders and trustees. A review of the Risk Register is a standing agenda item on all trust and subcommittee meetings. The risk register clearly identifies the committee which retains oversight of the specific risk and which member of the senior leadership team is responsible for managing the risk on a day to day basis.

Financial and Risk Management Objectives and Policies

The Trust's approach to Risk Management is fully articulated in the Trust's Finance Policy with clear lines of accountability and responsibility articulated. Individual schools maintain local risk registers as a manner of recording the risks and their mitigations which forms part of local business continuity plans. The Trust's Risk Register identifies the specific risks concerning the Trust as a whole.

The objectives of Risk Management within the Trust is to identify, analyse and respond to risk factors that could effect the Trust's pursuance of its educational objectives. The process confers control (where possible) of possible future events and aims to be proactive rather than reactive.

Fundraising

The Trust will bid for educational allowances and grants as they become available where the stated educational outcomes of any such grants fits with the ethos and objectives of the Trust and are fully compliant with ESFA guidelines.

Responsibility for local fundraising resides with individual members schools who continue to enjoy good relations with parents and communities through the effective channels of 'friends of....' Organisations and Parent Teachers Associations (PTAs).

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TRUSTEES' REPORT (CONTINUED)
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Plans for Future Periods

To date, all founding schools have enjoyed an OFSTED category of Good or Outstanding but there is an understanding that the longer the Trust operates a successful school improvement model the more likely it is that the DFE may ask the Trust to accept schools on a sponsored model.

If the schools alluded to above join the Trust as expected the intention at this point will be to consolidate the educational and financial position of the Trust rather than actively pursue additional schools for membership. Additionally, the Trust considers itself to be geographically restricted to 25 minutes driving time from the central office and thus any growth in school numbers will not compromise this principle. With that in mind it is unlikely that this Trust would grow over and above 20-25 schools in size.

Auditor

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:

S M Cotton
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Bradgate Education Partnership 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 CEO of Bradgate Education Partnership, 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 Bradgate Education Partnership 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. The Trustees believe this is sufficient to provide effective oversight.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S M Cotton	4	5
D Ellis	5	5
S Hall	4	5
K L Lock	5	5
G P Nelmes	5	5
G R Payne	4	5
H M Seary	4	5

The Trustees have considered the quality of the data they receive and consider it to be adequate for the purposes of overseeing the work of the Academy. Their assessment has been made having regard to externally validated data, which is consistent with that received from within the Academy and data provided by the work of the internal and external auditors.

Care was taken during the creation of the Trust Board, to ensure that a relevant and wide range of experience was brought together to create the most effective body. A Board skills audit was carried out in Spring 2019. This, together with Trustee discussions on succession planning, has resulted in a commitment to appoint additional Trustees to the Board during 2019/20. Trustees joined Trust Academy Headteachers and Chairs of Governors for a Trust Vision & Ethos day in February 2019.

The Trust and each LAB, working with Senior Leaders will review its effectiveness during each academic year. These reviews will also examine the effectiveness of individual Governors, to ensure that the Board of Trustees and each LAB possesses the necessary mix of skills to maximise their effectiveness.

The Finance, Audit and Risk Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- To review each of the Academies indicative funding;
- To review the formulation of the Academies strategic plans, through the consideration of financial priorities and proposals.
- To monitor and review expenditure.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D Ellis	3	3
S Hall	3	3
G P Nelmes	2	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the CEO of Bradgate Education Partnership has responsibility for ensuring that the Trust trust 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continued growth of the Bradgate Education Partnership Trust, which as at 1 September 2018 provided for 4,192 students in Reception to year 13.
- Established collaborative approach to providing supporting services to 13 schools through centralised contracts (including Audit, HR, H&S and Premises Management).
- Reviewing contracts on an opportunity basis – during 2017/18 tenders were run for Audit services and Finance ICT systems which has resulted in significant efficiencies to the Trust.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradgate Education Partnership for the year 1 September 2018 to 31 August 2019 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Assurance Lincolnshire as internal auditor.

Assurance Lincolnshire's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current year included:

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/ bank reconciliations.
- Testing of internal finance processes.

On an annual basis, Assurance Lincolnshire reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The in-depth report did make a number of observations and recommendations concerning financial system management and financial policies. Policies have since been adopted trust-wide to ensure that statutory systems are in place. Other recommendations are being implemented on an opportunity basis as central systems are being improved upon.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on their behalf by:

S M Cotton
Chair of Trustees

G P Nelmes
Accounting Officer

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Bradgate Education Partnership I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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 ESFA.

G P Nelmes
Accounting Officer
Date: 11 December 2019

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 ESFA/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 11 December 2019 and signed on its behalf by:

S M Cotton
Chair of Trustees

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRADGATE EDUCATION PARTNERSHIP**

Opinion

We have audited the financial statements of Bradgate Education Partnership (the 'trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Trust 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRADGATE EDUCATION PARTNERSHIP (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRADGATE EDUCATION PARTNERSHIP (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 Trustees 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 Trustees are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust 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.

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.

Use of our report

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust 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 Accountant and Statutory Auditors
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

12 December 2019

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRADGATE
EDUCATION PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bradgate Education Partnership during the year 1 September 2018 to 31 August 2019 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 Bradgate Education Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bradgate Education Partnership 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 Bradgate Education Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bradgate Education Partnership's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bradgate Education Partnership's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 Trust's income and expenditure.

Our audit work involved:

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

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRADGATE
EDUCATION PARTNERSHIP 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 2018 to 31 August 2019 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

Date: 12 December 2019

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants:	4					
Transfer of Existing Academy		289	(2,948)	14,619	11,960	2,883
Other donations and capital grants		19	-	872	891	2,434
Charitable activities	5	581	19,668	-	20,249	14,787
Teaching schools	28	-	124	-	124	163
Other trading activities	6	846	-	-	846	426
Investments	7	3	-	-	3	4
Total income		1,738	16,844	15,491	34,073	20,697
Expenditure on:						
Charitable activities	9	1,738	20,695	1,914	24,347	17,336
Teaching schools		-	142	-	142	152
Other expenditure		-	-	-	-	-
Total expenditure		1,738	20,837	1,914	24,489	17,488
Net movement in funds before other recognised gains/(losses)		-	(3,993)	13,577	9,584	3,209
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(3,500)	-	(3,500)	1,180
Net movement in funds		-	(7,493)	13,577	6,084	4,389

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Reconciliation of funds:					
Total funds brought forward	-	(2,646)	31,723	29,077	24,688
Net movement in funds	-	(7,493)	13,577	6,084	4,389
Total funds carried forward	-	(10,139)	45,300	35,161	29,077

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 62 form part of these financial statements.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08168237

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	15	45,080	30,531
		<u>45,080</u>	<u>30,531</u>
Current assets			
Debtors	16	1,515	1,251
Cash at bank and in hand		3,484	3,655
		<u>4,999</u>	<u>4,906</u>
Creditors: amounts falling due within one year	17	(2,126)	(1,339)
Net current assets		<u>2,873</u>	<u>3,567</u>
Total assets less current liabilities		<u>47,953</u>	<u>34,098</u>
Creditors: amounts falling due after more than one year	18	(161)	(7)
Net assets excluding pension liability		<u>47,792</u>	<u>34,091</u>
Defined benefit pension scheme liability	24	(12,631)	(5,014)
Total net assets		<u><u>35,161</u></u>	<u><u>29,077</u></u>

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £000	2018	2018 £000
Funds of the Trust					
Restricted funds:					
Fixed asset funds	19	45,300		31,723	
Restricted income funds	19	2,492		2,368	
		<u>47,792</u>		<u>34,091</u>	
Restricted funds excluding pension asset	19	47,792		34,091	
Pension reserve	19	(12,631)		(5,014)	
Total restricted funds	19		<u>35,161</u>		<u>29,077</u>
Unrestricted income funds	19		<u>-</u>		<u>-</u>
Total funds			<u>35,161</u>		<u>29,077</u>

The financial statements on pages 25 to 62 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:

S M Cotton
Chair of Trustees

The notes on pages 30 to 62 form part of these financial statements.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	<i>2018</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	447	(351)
Cash flows from investing activities	22	(618)	792
Change in cash and cash equivalents in the year		(171)	441
Cash and cash equivalents at the beginning of the year		3,655	3,214
Cash and cash equivalents at the end of the year	23	<u>3,484</u>	<u>3,655</u>

The notes on pages 30 to 62 form part of these financial statements

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 Trust, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bradgate Education Partnership meets the definition of a public benefit entity under FRS 102.

1.2 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

• **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Taxation

The Trust 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 Trust 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.

1.6 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 basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long leasehold buildings	- 1% straight line per annum
Long leasehold building improvement	- 10% straight line per annum
Furniture and equipment	- 20% straight line per annum
Plant and machinery	- 10% straight line per annum
Computer equipment	- 25% straight line per annum

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.

1.7 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.

1.8 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.

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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

1.10 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust 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 16. Prepayments are not financial instruments.

Cash at bank and in hand - 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 notes 17 and 18. 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.

1.11 Operating leases

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

BRADGATE EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Pensions

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

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

1.13 Fund accounting

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

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.

BRADGATE EDUCATION PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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3. Transfer of existing academies into the trust

Wreake Valley Academy

	Value reported by transferring trust £000	Transfer in recognised £000
Tangible fixed assets		
Long-term leasehold property	14,659	14,659
Furniture and equipment	10	10
Computer equipment	24	24
Current assets		
Debtors due within one year	203	203
Cash at bank and in hand	359	359
Liabilities		
Creditors due within one year	(205)	(205)
Creditors due after one year	(142)	(142)
Pensions		
Pensions - pension scheme assets	4,352	4,352
Pensions - pension scheme liabilities	(7,300)	(7,300)
Net assets	<u>11,960</u>	<u>11,960</u>

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4. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Donations				
Transfer of Existing Acadmy	289	11,671	11,960	2,883
	<u>289</u>	<u>11,671</u>	<u>11,960</u>	<u>2,883</u>
Donations	19	-	19	24
Capital Grants	-	872	872	2,410
	<u>19</u>	<u>872</u>	<u>891</u>	<u>2,434</u>
Subtotal	<u>19</u>	<u>872</u>	<u>891</u>	<u>2,434</u>
	<u>308</u>	<u>12,543</u>	<u>12,851</u>	<u>5,317</u>
<i>Total 2018</i>	<u>147</u>	<u>5,170</u>	<u>5,317</u>	

BRADGATE EDUCATION PARTNERSHIP
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5. Funding for the Trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	17,212	17,212	12,279
Pupil Premium	-	727	727	559
Other ESFA/DfE grants	-	972	972	814
	-	18,911	18,911	13,652
Other government grants				
Other Local Authority grants	-	757	757	549
	-	757	757	549
Other funding				
School Trips and Parental Contributions	274	-	274	348
Catering	307	-	307	238
	581	-	581	586
	581	19,668	20,249	14,787
<i>Total 2018</i>	579	14,208	14,787	

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NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Lettings	183	-	183	74
Other Income	612	-	612	327
Insurance Claims	51	-	51	25
	<u>846</u>	<u>-</u>	<u>846</u>	<u>426</u>
<i>Total 2018</i>	<u>401</u>	<u>25</u>	<u>426</u>	

7. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Bank Interest	3	3	4
	<u>3</u>	<u>3</u>	<u>4</u>

BRADGATE EDUCATION PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2019	2019	2019	2019	<i>2018</i>
	£000	£000	£000	£000	<i>£000</i>
Direct costs	13,080	-	2,845	15,925	11,015
Support costs	4,161	2,440	1,821	8,422	6,321
Teaching school	-	-	142	142	152
	<u>17,241</u>	<u>2,440</u>	<u>4,808</u>	<u>24,489</u>	<u>17,488</u>
<i>Total 2018</i>	<u>11,927</u>	<u>1,073</u>	<u>4,488</u>	<u>17,488</u>	

9. Analysis of expenditure by activities

	Activities	Support	Total	<i>Total</i>
	undertaken	costs	funds	<i>funds</i>
	directly	2019	2019	<i>2018</i>
	2019	£000	£000	<i>£000</i>
	£000	£000	£000	<i>£000</i>
Educational operations	15,925	8,422	24,347	17,336
	<u>11,015</u>	<u>6,321</u>	<u>17,336</u>	
<i>Total 2018</i>	<u>11,015</u>	<u>6,321</u>	<u>17,336</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	13,080	9,067
Depreciation	1,638	1,105
Educational supplies	404	358
Staff development	71	121
Other direct costs	732	364
	<u>15,925</u>	<u>11,015</u>

Analysis of support costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Pension finance cost	231	136
Staff costs	4,136	2,860
Maintenance	749	1,073
Cleaning	211	151
Rates	171	116
Insurances	196	190
Catering	653	532
Other support costs	792	534
Technology costs	681	212
Energy	313	182
Governance costs	45	41
Legal and professional fees	244	294
	<u>8,422</u>	<u>6,321</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019	<i>2018</i>
	£000	<i>£000</i>
Operating lease rentals	32	<i>58</i>
Depreciation of tangible fixed assets	1,638	<i>1,105</i>
Fees paid to auditors for:		
- audit	40	<i>40</i>
- other services	5	<i>5</i>
	=====	<i>=====</i>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Wages and salaries	12,924	<i>9,034</i>
Social security costs	1,104	<i>805</i>
Pension costs	3,188	<i>2,088</i>
	=====	<i>=====</i>
	17,216	<i>11,927</i>
Staff restructuring costs	25	<i>-</i>
	=====	<i>=====</i>
	17,241	<i>11,927</i>
	=====	<i>=====</i>

Staff restructuring costs comprise:

	2019	<i>2018</i>
	£000	<i>£000</i>
Severance payments	25	<i>-</i>
	=====	<i>=====</i>
	25	<i>-</i>
	=====	<i>=====</i>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000 (2018: £nil) paid to 1 employee.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

c. Staff numbers

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Teaching	229	<i>160</i>
Administration and Support	457	<i>398</i>
Management	18	<i>40</i>
	704	<i>598</i>

d. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	10	<i>2</i>
In the band £70,001 - £80,000	3	<i>-</i>
In the band £80,001 - £90,000	1	<i>2</i>
In the band £90,001 - £100,000	-	<i>1</i>
In the band £100,001 - £110,000	2	<i>1</i>
In the band £120,001 - £130,000	1	<i>-</i>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by members of key management personnel for their services to the Academy Trust to the nearest £'000 was £409,000 (2018: £245,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Central services

The Trust has provided the following central services to its academies during the year:

- Audit
- HR
- Health & Safety
- Premises Management

The Trust charges for these services on the following basis:

All academies who are members of the Trust are charged 5% (2018: 3.5%) of GAG income per year.

The actual amounts charged during the year were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Broomfield Primary School	41	<i>30</i>
Church Hill Infant School	49	<i>34</i>
Eastfield Primary School	69	<i>40</i>
Gaddesby Primary School	35	<i>19</i>
Great Dalby Primary School	30	<i>20</i>
The Merton Primary School	71	<i>48</i>
Newtown Linford Primary School	22	<i>15</i>
The Pochin School	30	<i>21</i>
Ratby Primary School	62	<i>-</i>
The Roundhill Academy	185	<i>129</i>
Seagrave Village Primary School	24	<i>16</i>
Swallowdale Primary School	69	<i>47</i>
Wreake Valley Academy	183	<i>-</i>
Total	870	<i>419</i>

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NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' remuneration and expenses

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

		2019	<i>2018</i>
		£000	<i>£000</i>
G P Nelmes, Chief Executive Officer and Accounting Officer	Remuneration	120 - 125	<i>105 - 110</i>
	Pension contributions paid	15 - 20	<i>15 - 20</i>

During the year ended 31 August 2019, no Trustee expenses have been incurred (*2018 - £NIL*).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust 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 £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £149 (*2018 - £149*). The cost of this insurance is included in the total insurance cost.

BRADGATE EDUCATION PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2018	31,991	452	53	320	32,816
Additions	16,030	73	-	84	16,187
At 31 August 2019	<u>48,021</u>	<u>525</u>	<u>53</u>	<u>404</u>	<u>49,003</u>
Depreciation					
At 1 September 2018	1,883	193	18	191	2,285
Charge for the year	1,427	118	8	85	1,638
At 31 August 2019	<u>3,310</u>	<u>311</u>	<u>26</u>	<u>276</u>	<u>3,923</u>
Net book value					
At 31 August 2019	<u>44,711</u>	<u>214</u>	<u>27</u>	<u>128</u>	<u>45,080</u>
At 31 August 2018	<u>30,108</u>	<u>259</u>	<u>35</u>	<u>129</u>	<u>30,531</u>

Valuations are based on methods considered appropriate by the trustees being either external valuation or valuation provided by the ESFA.

Total additions in the analysis above include the amounts transferred in by Wreake Valley Academy of £14,693,000.

16. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	41	72
Other debtors	1,064	379
Prepayments and accrued income	410	800
	<u>1,515</u>	<u>1,251</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£000	<i>£000</i>
Trade creditors	762	13
Other taxation and social security	270	64
Other creditors	396	28
Accruals and deferred income	698	1,234
	2,126	<i>1,339</i>
	2,126	<i>1,339</i>
	2019	<i>2018</i>
	£000	<i>£000</i>
Deferred Income		
Deferred income at 1 September	384	338
Resources deferred during the year	488	384
Amounts released from previous periods	(384)	(338)
	488	<i>384</i>
	488	<i>384</i>

At the balance sheet date the Trust was holding funds received in advance primarily in relation to universal infant free school meals. There was also an amount held by the trust in relation to funding received in advance by Wreake Valley Academy, which related to an Autumn 2019 term secondary education project.

18. Creditors: Amounts falling due after more than one year

	2019	<i>2018</i>
	£000	<i>£000</i>
Other loans	161	7
	161	<i>7</i>

Loans of £161,000 from the ESFA which is provided on the following terms, Interest rate of 1.85% repayable by monthly installments over 10 years.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	-	1,738	(1,738)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	2,228	17,212	(17,070)	-	-	2,370
Other DfE/ESFA Grants	-	1,699	(1,699)	-	-	-
Other Government Grants	-	757	(757)	-	-	-
Step Teaching School	140	124	(142)	-	-	122
Pension Reserve	(5,014)	(2,948)	(1,169)	-	(3,500)	(12,631)
	<u>(2,646)</u>	<u>16,844</u>	<u>(20,837)</u>	<u>-</u>	<u>(3,500)</u>	<u>(10,139)</u>
Restricted fixed asset funds						
Fixed Assets	30,531	14,693	(1,638)	1,493	-	45,079
Unspent Capital Funds	1,200	954	(276)	(1,493)	-	385
Fixed Asset Loans	(8)	(156)	-	-	-	(164)
	<u>31,723</u>	<u>15,491</u>	<u>(1,914)</u>	<u>-</u>	<u>-</u>	<u>45,300</u>
Total Restricted funds	<u>29,077</u>	<u>32,335</u>	<u>(22,751)</u>	<u>-</u>	<u>(3,500)</u>	<u>35,161</u>
Total funds	<u>29,077</u>	<u>34,073</u>	<u>(24,489)</u>	<u>-</u>	<u>(3,500)</u>	<u>35,161</u>

BRADGATE EDUCATION PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

Unrestricted Funds

All funds relate to those resources which may be used towards meeting any of the objectives of the academy at the discretion of the Trustees.

Restricted Funds

General Annual Grant (GAG) - funds from the Education and Skills Funding Agency for the provision of education in line with the funding agreement.

Other DfE/ESFA Grants - other funds including Pupil Premium provided by the DfE/ESFA for particular purposes.

Other Government Grants - other funds provided by the local authority and other institutions for use on specific purposes.

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

Restricted Fixed Asset Funds

Fixed Assets - represents the net book value of assets.

Unspent Capital Grants - represents unspent grants received for which the specific purpose of capital expenditure has been imposed by the funder.

Fixed Asset Loans - represents the loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from restricted funds against this fund.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Broomfield Primary School	227	<i>180</i>
Church Hill Infant School	336	<i>282</i>
Eastfield Primary School	246	<i>251</i>
Gaddesby Primary School	137	<i>159</i>
Great Dalby Primary School	128	<i>125</i>
The Merton Primary School	499	<i>473</i>
Newtown Linford Primary School	21	<i>68</i>
The Pochin School	168	<i>159</i>
Ratby Primary School	211	<i>80</i>
The Roundhill Academy	(256)	<i>(217)</i>
Seagrave Village Primary School	103	<i>78</i>
Swallowdale Primary School	351	<i>382</i>
Wreake Valley Academy	172	<i>-</i>
Bradgate Education Partnership	90	<i>272</i>
STEP Teaching School Alliance	59	<i>76</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,492	<i>2,368</i>
Restricted fixed asset fund	45,300	<i>31,723</i>
Pension reserve	(12,631)	<i>(5,014)</i>
	<hr/>	<hr/>
Total	35,161	<i>29,077</i>
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

	Deficit £000
The Roundhill Academy	256

The deficit on the above Academy is due to a time of accelerated growth in student numbers as it expanded its age range from 11-14 to 11-16. During this period of change, the school was underfunded based on actual numbers on roll. This position has now stabilised with the school setting in year surplus budgets from 2019-20 onwards.

The in-year deficit has reduced in 2018-19 and the school has set an in year surplus budget of £67,000 in 2019-20 and are forecasting to be out of deficit by 2021-22.

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

The trust continues to monitor the position on a monthly basis, working with the school to ensure a swift return to a surplus.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	<i>Total</i> <i>2018</i> <i>£000</i>
Broomfield Primary School	562	114	10	197	883	893
Church Hill Infant School	671	129	15	256	1,071	1,119
Eastfield Primary School	1,064	155	43	423	1,685	1,504
Gaddesby Primary School	431	120	15	154	720	1,048
Great Dalby Primary School	427	35	15	169	646	648
The Merton Primary School	977	189	33	356	1,555	1,530
Newtown Linford Primary School	325	60	6	68	459	471
The Pochin School	497	145	13	194	849	774
Ratby Primary School	893	172	30	332	1,427	-
The Roundhill Academy	2,774	672	74	757	4,277	4,305
Seagrave Village Primary School	335	59	14	87	495	506
Swallowdale Primary School	986	189	78	378	1,631	1,622
Wreake Valley Academy	2,687	877	53	1,025	4,642	-
Bradgate Education Partnership	451	283	5	1,630	2,369	1,963
STEP Teaching School Alliance	-	-	-	142	142	-
Trust	13,080	3,199	404	6,168	22,851	16,383

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
Unrestricted Funds	1,124	1,164	(2,288)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	802	12,204	(10,778)	-	-	2,228
Other Dfe/ESFA Grants	50	1,373	(1,381)	(42)	-	-
ESFA Capital Grants	181	-	-	(181)	-	-
Other Government Grants	1	549	(550)	-	-	-
Step Teaching School Income	129	163	(152)	-	-	140
Pension Reserve	(4,994)	(530)	(670)	-	1,180	(5,014)
	<u>(3,831)</u>	<u>13,759</u>	<u>(13,531)</u>	<u>(223)</u>	<u>1,180</u>	<u>(2,646)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Restricted fixed asset funds						
Restricted Fixed Assets	27,162	3,364	(1,106)	1,111	-	30,531
CIF Grants	185	1,900	(420)	(521)	-	1,144
CIF Loan	(8)	-	-	-	-	(8)
Devolved Formula Capital	56	86	(86)	-	-	56
LA Capital Funding	-	424	(57)	(367)	-	-
	<u>27,395</u>	<u>5,774</u>	<u>(1,669)</u>	<u>223</u>	<u>-</u>	<u>31,723</u>
Total Restricted funds	<u>23,564</u>	<u>19,533</u>	<u>(15,200)</u>	<u>-</u>	<u>1,180</u>	<u>29,077</u>
Total funds	<u><u>24,688</u></u>	<u><u>20,697</u></u>	<u><u>(17,488)</u></u>	<u><u>-</u></u>	<u><u>1,180</u></u>	<u><u>29,077</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	45,080	45,080
Current assets	4,615	384	4,999
Creditors due within one year	(2,123)	(3)	(2,126)
Creditors due in more than one year	-	(161)	(161)
Provisions for liabilities and charges	(12,631)	-	(12,631)
Total	<u><u>(10,139)</u></u>	<u><u>45,300</u></u>	<u><u>35,161</u></u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	30,531	30,531
Current assets	3,714	1,192	4,906
Creditors due within one year	(1,339)	-	(1,339)
Creditors due in more than one year	(7)	-	(7)
Provisions for liabilities and charges	(5,014)	-	(5,014)
Total	(2,646)	31,723	29,077

21. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of Financial Activities)	9,584	3,209
Adjustments for:		
Depreciation	1,637	1,106
Capital grants from DfE and other capital income	(872)	(1,900)
Interest receivable	(3)	(3)
Fixed Assets Donated/Trasferred on conversion	(14,693)	(3,364)
Pension Transferred on conversion	2,948	530
Defined benefit pension scheme finance cost	231	136
Increase in debtors	(264)	(589)
Increase/(decrease) in creditors	941	(40)
Defined benef pension scheme cost less contributions payable	938	564
Net cash provided by/(used in) operating activities	447	(351)

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22. Cash flows from investing activities

	2019	<i>2018</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	3	<i>3</i>
Purchase of tangible fixed assets	(1,493)	<i>(1,111)</i>
Capital grants from DfE Group	872	<i>1,900</i>
Net cash (used in)/provided by investing activities	(618)	<i>792</i>

23. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£000	<i>£000</i>
Cash in hand	3,484	<i>3,655</i>
Total cash and cash equivalents	3,484	<i>3,655</i>

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24. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £281,000 were payable to the schemes at 31 August 2019 (2018 - £143,000) 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 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.

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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24. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £1,229,000 (2018 - £936,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,256,000 (2018 - £785,000), of which employer's contributions totalled £1,006,000 (2018 - £624,000) and employees' contributions totalled £ 250,000 (2018 - £161,000). The agreed contribution rates for future years are 23.72% for employers and 5.5% - 12.5% 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.

Principal actuarial assumptions

	2019	2018
	%	%
Salary Increase Rate	3.30	3.40
Discount Rate	1.80	2.80
Pension Increase Rate CPI	2.30	2.40

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.4	24.3
<i>Retiring in 20 years</i>		
Males	22.2	23.8
Females	24.7	26.2

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24. Pension commitments (continued)

Sensitivity analysis

	2019	<i>2018</i>
	£000	<i>£000</i>
0.5% Decrease in Discount Rate	3,547	<i>1,683</i>
0.5% Increase in the Salary increase Rate	576	<i>290</i>
0.5% Increase in the Pension Increase Rate (CPI)	2,890	<i>1,368</i>
	=====	<i>=====</i>

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

	At 31	<i>At 31 August</i>
	August 2019	<i>2018</i>
	£000	<i>£000</i>
Equities	8,521	<i>5,127</i>
Gilts	4,554	<i>2,233</i>
Property	1,175	<i>744</i>
Cash	441	<i>165</i>
	=====	<i>=====</i>
Total market value of assets	14,691	<i>8,269</i>
	=====	<i>=====</i>

The actual return on scheme assets was £949,000 (2018 - £351,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Current service cost	(1,606)	<i>(1,158)</i>
Past service cost	(338)	<i>-</i>
Interest income	368	<i>178</i>
Interest cost	(599)	<i>(314)</i>
	=====	<i>=====</i>
Total amount recognised in the Statement of Financial Activities	(2,175)	<i>(1,294)</i>
	=====	<i>=====</i>

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24. Pension commitments (continued)

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

	2019	<i>2018</i>
	£000	<i>£000</i>
At 1 September	13,283	<i>11,588</i>
Transferred in on existing academies joining the trust	7,300	<i>1,195</i>
Current service cost	1,606	<i>1,158</i>
Interest cost	599	<i>314</i>
Employee contributions	250	<i>161</i>
Changes in actuarial assumptions	4,081	<i>(1,007)</i>
Benefits paid	(135)	<i>(126)</i>
Past service costs	338	<i>-</i>
At 31 August	27,322	<i>13,283</i>

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

	2019	<i>2018</i>
	£000	<i>£000</i>
At 1 September	8,269	<i>6,594</i>
Transferred in on existing academies joining the trust	4,352	<i>665</i>
Interest income	368	<i>178</i>
Return on assets excluding net interest	581	<i>173</i>
Employer contributions	1,006	<i>624</i>
Employee contributions	250	<i>161</i>
Benefits paid	(135)	<i>(126)</i>
At 31 August	14,691	<i>8,269</i>

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25. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Trust 2019 £000	<i>Trust 2018 £000</i>
Not later than 1 year	32	32
Later than 1 year and not later than 5 years	95	127
	127	159

26. Members' liability

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

27. Related party transactions

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

Expenditure Related Party Transactions:

J Cotton, spouse of S Cotton, a Trustee, provided services to the Trust during the year and invoiced the Trust a total of £2,200 (2018: £nil). There were no balances outstanding at either year-end.

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28. Teaching school trading account

	2019	2019	<i>2018</i>	<i>2018</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Income				
Direct income				
Grants, membership and activities	124		<i>163</i>	
Total income		124		<i>163</i>
Expenditure				
Direct expenditure				
Teaching School Expenditure	142		<i>152</i>	
Total expenditure		142		<i>152</i>
(Deficit)/surplus from all sources		(18)		<i>11</i>
Teaching school balances at 1 September 2018		76		<i>65</i>
Teaching school balances at 31 August 2019		58		<i>76</i>