

# BrightTribe

learn grow prosper

## **Bright Tribe Trust**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2015

Company No. 08144578



# Bright Tribe Trust

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## Report and Financial Statements for the year ended 31 August 2015

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# Bright Tribe Trust

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## Reference and Administration Details

|   |   |
|---|---|
| <b>Members:</b>                         | Helping Hands Trust Limited (Subscriber)<br>My World Trust (Subscriber)<br>Mr A Elson   |
| <b>Trustees:</b>                        | Helping Hands Trust Limited<br>My World Trust<br>Prof D Hopkins<br>Mr J Smith (Resigned 31.05.2015)<br>Mr A Elson<br>Miss A Sarginson<br>Mrs K Kirkham<br>Mr T Flanagan<br>Mr S Moore |
| <b>Company Secretary:</b>               | North Consulting Limited  |
| <b>Principal and Registered Office:</b> | Building 1000, Yew Street, Kings Reach, Stockport, SK4 2HD  |
| <b>Company Registration Number:</b>     | 08144578  |
| <b>Independent Auditor:</b>             | BDO LLP, 3 Hardman Street, Manchester M3 3AT  |
| <b>Bankers:</b>                         | The Co-operative Bank, PO Box 101, 1 Balloon Street, Manchester, M60 4EP  |



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 1 primary and 1 secondary academy in North West England and 3 primary and 2 secondary academies in South East England. Its academies have a combined pupil capacity of 5,259 and had a roll of 3,311 in the school census in October 2015.

### Structure, Governance and Management

#### Constitution

Bright Tribe Trust ("the Trust") is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association ("the Articles") are the primary governing documents of the Multi-Academy Trust.

The trustees of Bright Tribe Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bright Tribe Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

#### 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

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 Trust business.

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed subject to the Articles and are subject to retirement after four years but are eligible for appointment at the meeting at which they retire, with the exception of the Chief Operating Officer

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

All trustees receive induction training and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents required to undertake their role as trustee.

#### Organisational Structure

The Bright Tribe Trust Board is ultimately responsible to the Department for Education and must ensure that its academies act in accordance with the Master Funding Agreement, Supplemental Funding Agreement, Academies Financial Handbook and all other relevant legislation.



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

In order to fulfil its responsibility the Bright Trust Board has established a central Audit Committee and Finance Committee to consider finance and other matters such as HR across all its academies. Bright Tribe Trust has also established a Local Governing Body in each of its academies in accordance with Local Governing Body Terms of Reference.

### Connected Organisations including Related Party Relationships

Bright Tribe Trust is connected to another multi-academy trust, the Adventure Learning Academy Trust, via Helping Hands Trust Limited being a member of both charities. Both multi-academy trusts ensure value for money is achieved by working collaboratively together across all areas of operations.

During the year, the trust has benefitted from the financial and resource support provided by Dr Michael Dwan, the principal benefactor of both Helping Hands Trust Limited and My World Trust.

Dr Dwan represents the founding sponsors of the trust and has, from the establishment of the trust, ensured that the development and operational phases are fully funded and that the trust is, when necessary, provided with services at cost or less, in full compliance with the Academies Financial Handbook.

Dr Dwan has provided this financial support by way of a personally funded bursary to Helping Hands Trust Limited and by the provision of cost or less services from North Consulting Limited, Blue Support Services Limited, The Knowledge Network (UK) Limited and North & Partners Technical Limited which are owned or controlled by Dr Dwan.

During the financial year the trust made cost or less purchases from the above named companies of £1,874k (2014: £942k) which can be analysed as £1,018k (2014: £478k) cost of staff TUPE'd from the trust/other recharges, £749k (2014: £373k) secondments to the trust and £107k (2014: £91k) services provided to the trust.

The costs attributed to TUPE and other associated recharges are not discretionary and are fixed by law, the costs associated with secondment are subject to cost base only and are completely transparent.

During the financial year, Helping Hands Trust Limited made a cash donation of £1.4m, effectively funding the above secondment costs (£1,122k) and service costs (£198k) for the last two financial years, in addition subsidising the TUPE Staff/Recharged costs by £80k. The trust also declared in-kind donations of £363k relating to the delivery of managed estate service for the trust estate at below cost.

In addition, Dr Dwan has funded a number of activities and services at his personal cost to further enhance the financial position of the trust. These have ranged from non-chargeable staff resources to capital works. This figure is estimated to be approximately £500k and includes a shortfall of £28k which relates to a £134k contract which was subcontracted during the year to ESPM (UK) Limited, who then subcontracted £134k of this contract to North & Partners Technical Limited. The actual cost to deliver the contract was £162k, the shortfall being met by Dr Dwan.

Since formation, Dr Dwan either directly or indirectly through Helping Hands Trust Limited has provided funding/in-kind services totalling £2,291k to the trust.

This means that Dr Dwan's connected organisations received £107k of service fees during the year, but Dr Dwan has made donations, directly or indirectly of £2,291k during the same period.



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

### Objectives and Activities

#### Objects and Aims

The charitable objects are:

- To advance education for the public benefit, in particular but without prejudice to the generality of the foregoing by acquiring, establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- To provide, or procure for the benefit of the inhabitants of the areas in which the academies are located, and surrounding areas, facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disability, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare to improve their quality of life.

#### Objective, Strategies and Activities

Our aim is for Bright Tribe to be a new breed of Academy Trust; a model that leads the way for successful, properly considered, expansion of academy multi-chain networks and which brings together expertise from the education field and the professionalism and influences of commercial partners.

We bring a new energy and approach to providing the best education for all children

Through proven practices, Bright Tribe transforms the learning of children, raises standards and provides the highest quality learning environments, enabling learners and teaching staff to thrive and be the best. Our aim is to break down the barriers that limit educational progress. We do this through adopting a personal learning pathway for every child — one that takes account of individual needs, aspirations, and talents.

The founding sponsors of Bright Tribe share the same vision for teaching and learning and school ethos; a vision focused on the individual learning needs of every child. Bright Tribe has developed an approach to personal learning that enables each learner to reach the highest level of individual achievement through the acquisition of a range of learning skills and a customised curriculum.

#### People – children, staff, parents and carers are at the heart of Bright Tribe's vision

The investment in teaching and learning, school leadership teams, continuing professional development and the adoption of personalised learning are core elements that make Bright Tribe academies successful and enable them to achieve world-class results.

#### Schools joining our network will be prepared to do things differently

Bright Tribe brings fresh ideas, creative ways of working and an ethos that embraces challenge and change. Our team combines leading educational provision with the best professional business management skills, enabling our schools to focus on what they do best — delivering outstanding education. We want schools joining our academy network to be proud to be part of our growing community and, through wider collaboration and knowledge sharing, support each other to be outstanding.

#### The standards we set are very high



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

We aim to set the lead for others to follow; in curriculum, in teaching and learning; in staff development; in technology and environment; and in school leadership and performance. We will help schools get there; working with them to plan their improvement pathway and supporting them every step of the way.

### Public Benefit

Through our community of academies, we aim to provide the best life opportunities for all learners, to raise the aspirations of all who encounter us, and to help to revolutionise the education landscape. Our schools will be leaders and partners in their local communities, contributing to social and economic prosperity and gifting extraordinary people to the world.

## Strategic Report

### Achievements and Performance

To date the Trust has:

- Developed strong relationships and a positive profile within the Department for Education at all levels including with the Academies Board, school brokers and Regional School Commissioners, to ensure that the expertise and interests of Bright Tribe Trust are well known and that the Trust is well positioned to take over outstanding, good and poorly performing schools.
- Developed a growing brand presence and position within the primary and secondary schools market.
- Recruited four primary schools and three secondary schools.
- Received a cash donation of £1.4m and an in-kind donation of £363k, during the year, from Helping Hands Trust to help fund the start-up phase of the trust.
- Post year end the trust has been awarded EFA funding to set up a regional hub in Northumberland.

Bright Tribe Trust is working with schools in challenging communities and with inherited poor financial positions which require intense support and difficult decisions to be made. The Trust is committed to supporting all of our academies on their improvement journey.

### Performance Indicators

The Trust is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. The Trust is monitored through the completion and submission to the EFA of:

- Annual Accounts Return
- Annual Budget Forecast; and
- Pupil Numbers (School census)

### Going Concern

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



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

### Financial Review

Most of the Academies' income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academies' buildings are leased from Local Authorities for a peppercorn rent. In accordance with SSAP 21, 'Accounting for Leases and Hire Purchase Contracts', the buildings on long (typically 125 year) leases from County Council and Local Authorities have been recognised as tangible fixed assets in the accounts and the value of the buildings treated as voluntary income in the accounts, in the year of transfer to the Bright Tribe Trust. In accordance with Charities Statement of Recommended Practice, 'Account and Reporting by Charities' (SORP 2005), such gifts are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £18,694k was funded by recurrent grant funding from the EFA together with other incoming resources. Excluding fixed assets and pension funds, there was an in-year surplus of £2,961k. As at 31 August 2015 the Restricted and Unrestricted general fund balances were a deficit of £2,914k and a surplus of £4,472k respectively.

As at 31 August 2015, the net book value of tangible fixed assets was £48,997k and an analysis of these fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and associated support services to the pupils of Bright Tribe academies.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS17. The LGPS deficit of £5,903k relates to the deficit acquired on the introduction of new academies to the trust.

### Financial and Risk Management Objectives and Policies

As outlined in our risk management policy; risk management is a central part of our strategic management and culture. It is the process whereby the Trust methodically address the risks attached to its activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

The trustees have implemented a risk management process to identify, evaluate and manage risks across the organisation through corporate, departmental and operational risk registers. Special focus is around operational areas (eg in relation to teaching, health and safety, bullying, vetting of new staff and visitors, supervision of school grounds and school trips) and also in relation to the control of finances. Where significant financial risk still remains the trustees have ensured that they have adequate insurance cover.

As trustees, we acknowledge we have overall responsibility for ensuring that the Trust has an effective, sound and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust which enables us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities while complying with relevant laws and regulations.

Our system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties, monitoring of controls, training of staff and a system of delegation and accountability.

The purpose of the Trust's Finance Regulations manual is to: provide instruction and guidance to chairs of local governing bodies, academy principals and heads, academy finance officers and our central support staff; and ensure that each academy within the Trust and its subsidiaries ("the Group") maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

In addition, the trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Trust it should, as a publicly funded body, adopt these guidelines as best practice.

- Government Funding/Financial – the trust has considerable reliance on the continued government funding through the EFA and there is no assurance that government policy or practise will remain the same and funding will remain at the same levels or on the same basis.
- Staffing – the ability to retain, recruit and train quality staff and managers.
- Safeguarding and Child Protection – our moral purpose is to seek to secure a place in a good school as a fundamental entitlement for every child and ensure the highest standards of selection and monitoring of staff, the operation of child protection policies, health and safety and discipline.
- Governance and Management – the risk is the failure to effectively manage the academies' finances, controls and education and operational performance.
- Maintaining adequate funding of pension liabilities – the financial statements report the increase in pension scheme deficit under the requirements of FRS17. This may fluctuate over time based on economic and Local Authority investment policy. This is a long-term liability where it is hoped that it will reduce in future by employer contributions and additional lump sum payments.

### Reserves Policy

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

### Investment Policy

The Bright Tribe Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition the trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Surplus funds identified from time to time above a protected base level for working capital can be invested with or via the following instruments;

- Interest bearing Bank Deposit accounts
- Bonds
- Treasury Bills
- Money Market Funds via Financial Conduct Authority (FCA) banks

It is the intention of the Bright Tribe Trust to make investments in ways that are consistent with the values of the Bright Tribe Trust as expressed in the mission statement and ethos.



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

### Plans for Future Periods

At the heart of the Bright Tribe model of schooling are the values, entitlements and guarantees that are described below. It is these principles and standards that give Bright Tribe schools their distinctive ethos and that are reflected in the key components of the whole-school design. These six elements are the essential features of an outstanding school and each is underpinned by a set of proven practices that will be consistently adopted across the Bright Tribe academy chain. They are:

#### Leadership

Bright Tribe schools will be driven by a moral purpose ensuring that all learners reach their potential both academically and socially within a humanising school ethos. Such leadership will have a total and persistent focus on high quality teaching and learning, a rigorous, coherent and enquiry-led curriculum coupled with developmental performance management. Leadership will be shared within and across schools through the use of school improvement teams.

#### Personalised learning

Bright Tribe schools personalise the learning experiences of all students. This includes the creation of personalised learning pathways, the active use of personal tutoring and the acquisition of a range of learning skills. There is a commitment to assessment for learning and the provision of personalised support which embrace the voice of the learner. These strategies are designed to ensure that Bright Tribe students have high quality learning experiences, make excellent progress and are motivated to achieve the highest standards.

#### Curriculum frameworks

Bright Tribe schools have an unrelenting focus on literacy and numeracy within a wide-ranging curriculum entitlement. This includes the active use of learning platforms and new technologies, the creation of personalised curriculum pathways and the facilitation of cross-curricular learning expeditions. These frameworks are designed to ensure curriculum progression, cohesion and rigour which will enable learners to acquire the appropriate skills and qualifications that lead to employment, further education and higher education opportunities.

#### High quality teaching

In Bright Tribe schools, high quality teaching will be ensured by a common framework for teaching and learning being adopted across all schools, with professional development being influenced by 'instructional rounds' that result in a deeper understanding of the link between teaching and learning. This will be driven by evidence-based strategies for improved learning and teaching as well as the development of best practice through collaborative working across the Bright Tribe.



# Bright Tribe Trust

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## Trustees' Report for the year ended 31 August 2015

### Accountability

Accountability for the highest of standards is part of the Bright Tribe DNA. In this regard, there is an expectation that Bright Tribe schools will share a commitment to meeting the most demanding of external accountability measures. Of equal importance is the need to rigorously address internal accountability measures through the adoption of effective practices in assessment and data management. In Bright Tribe schools, this includes developing robust systems and processes to embed effective practices in school self-evaluation and tracking students' progress on a regular six-weekly basis.

### Our Goals

The Bright Tribe whole-school design aims to deliver the following outcomes for all children by providing a vibrant and enriching educational experience:

- Support all children at primary stage, regardless of initial entry levels, to achieve at least national expectations.
- Ensure all primary schools exceed floor targets and are secure above national standard.
- Support all secondary students to achieve above national average qualifications in at least five GCSEs, the English Baccalaureate and/or equivalent industry recognised, vocational qualifications.
- Provide a breadth of curriculum pathways 14–19, including A Levels, AS Levels and vocational offers.
- Support all of our academies to achieve an Ofsted rating of 'outstanding' within a rigorous improvement plan.

### Auditor

Insofar 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22/12/2015 and signed on the board's behalf by:



Miss A Sarginson

Trustee



# Bright Tribe Trust

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day to day responsibility to the Chief Operating Officer, 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 the Bright Tribe Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Prof D Hopkins  | 2                 | 3                 |
| Mr J Smith  | 3                 | 3                 |
| Mr A Elson  | 3                 | 3                 |
| Miss A Sarginson  | 2                 | 3                 |
| Mr T Flanagan   | 2                 | 3                 |
| Mr S Moore  | 2                 | 3                 |
| Helping Hands Trust Limited<br>(represented by Dr M Dwan) | 3                 | 3                 |

The board has faced the following challenges during the year;

- Raising levels of progress and achievement quickly from very low starting points within our academies.
- Ensuring financial stability within our academies.



# Bright Tribe Trust

## Governance Statement

The Executive Committee is a sub-committee of the main board of trustees and is fully authorised to make decisions on any matters arising between scheduled meetings of the directors which require urgent attention.

Attendance at meetings during the year was as follows;

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs K Kirkham   | 3                 | 3                 |
| Mr A Elson  | 3                 | 3                 |
| Helping Hands Trust Limited<br>(represented by Dr M Dwan) | 3                 | 3                 |

The Finance Committee is a sub-committee of the main board of trustees and its purpose is to:

- Regularly monitor actual expenditure and income against budget;
- ensure annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 and the EFA guidance issues to academies;
- reviewing and authorising the award of an individual contract or purchase made by any individual academies.

Attendance at meetings during the year was as follows;

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs K Kirkham   | 9                 | 9                 |
| Mr J Smith  | 6                 | 6                 |
| Mr D Watson   | 9                 | 9                 |
| Miss A Sarginson  | 4                 | 5                 |
| Helping Hands Trust Limited<br>(represented by Dr M Dwan) | 9                 | 9                 |

The Audit Committee is a sub-committee of the main board of trustees and its purpose is to monitor the integrity of the financial statements of the Trust, including its annual and interim reports.

Attendance at meetings during the year was as follows;

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs K Kirkham   | 2                 | 2                 |
| Miss A Sarginson  | 2                 | 2                 |
| Helping Hands Trust Limited<br>(represented by Dr M Dwan) | 2                 | 2                 |



# Bright Tribe Trust

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## Governance Statement

### Review of Value for Money

As accounting officer the chief operating officer has responsibility for ensuring that the academy 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Improving educational outcomes of its students whilst operating within the financial constraints of the budget.
- Increasing collaboration between its academies, both educationally and financially, and the trust generating savings by negotiating trust wide contracts.
- Securing additional third party income and grants for its academies and receiving a sponsor donation of £363k for in-kind services.

During the financial year, the trust has benefited from at cost and in most cases substantially below cost services from Blue Support Limited, The Knowledge Network (UK) Limited and North Consulting Limited who are linked to the trust by way of a common sponsor or founder.

### 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 the trusts 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 Bright Tribe Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

### The Risk and Control Framework

Bright Tribe 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;



# Bright Tribe Trust

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## Governance Statement

- regular reviews by the finance 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor for the year ended 31 August 2015 and appointed Joe Smith to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, Joe Smith the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The board of trustees has appointed an internal auditor for the year ended 31 August 2016.

### Review of Effectiveness

As accounting officer the Chief Operating Officer 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 peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 by the audit committee 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

22/12/2015

and signed on its behalf by:



**Miss A Sarginson**  
Trustee



**Mrs K Kirkham**  
Accounting Officer

# Bright Tribe Trust

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## Statement on Regularity, Propriety and Compliance

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

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

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



**Mrs K Kirkham**

Accounting Officer

Date: 22/12/2015



# Bright Tribe Trust

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## Statement of Trustees' Responsibilities for the year ended 31 August 2015

The trustees (who act as governors of the Bright Tribe Trust and 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The 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 trustee 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on

22/12/2015

and signed on its behalf by:



**Miss A Sarginson**

Trustee



# Bright Tribe Trust

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## Independent Auditor's report on the financial statements to the Board of Trustees of Bright Tribe Trust

We have audited the financial statements of Bright Tribe Trust ("the Academy") for the period ended 31 August 2015 which comprise the consolidated statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the consolidated and Academy balance sheets, the cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005). Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of Bright Tribe Trust and are also the directors of the charitable company 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the Academy's affairs as at 31 August 2015 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA.



# Bright Tribe Trust

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## Independent Auditor's report on the financial statements to the Board of Trustees of Bright Tribe Trust

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- adequate and proper accounting records have not been kept in respect of the parent Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements do not accord with the accounting records and returns; or
- certain disclosures of governor's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for audit.



Mark Sykes (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

United Kingdom

Date: 22 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Bright Tribe Trust

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## Independent Reporting Accountant's Assurance Report on Regularity to Bright Tribe Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 6 November 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the year to 31 August 2015 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 the Academy and to the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Bright Tribe Trust and to the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bright Tribe Trust and to the EFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of The Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bright Tribe Trust's funding agreement with the Secretary of State for Education dated 24 December 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015 (SORP 2005). 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 to 31 August 2015 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 2014 to 2015 (SORP 2005) issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 9 of the Academies Accounts Direction 2014 to 2015 (SORP 2005).



# Bright Tribe Trust

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## Independent Reporting Accountant's Assurance Report on Regularity to Bright Tribe Trust and the Education Funding Agency (*continued*)

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**BDO LLP**

**Chartered Accountants**

**Manchester**

**United Kingdom**

**Date** 22 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Bright Tribe Trust

## Consolidated Statement of Financial Activities for the year ended 31 August 2015

|   | Note  | Unrestricted funds<br>£'000 | Restricted General Funds<br>£'000 | Restricted Fixed Asset Funds<br>£'000 | Total 2015<br>£'000 | Total 2014<br>£'000 |
|---|-------|-----------------------------|-----------------------------------|---------------------------------------|---------------------|---------------------|
| <b>Incoming Resources</b>                                   |       |                             |                                   |                                       |                     |                     |
| <i>Incoming resources from generated funds:</i>             |       |                             |                                   |                                       |                     |                     |
| Transfers from Local Authorities on conversion              | 31    | 2,228                       | (3,902)                           | 31,493                                | 29,819              | 14,022              |
| Voluntary income  | 2     | -                           | 1,775                             | -                                     | 1,775               | -                   |
| Activities for generating funds                             | 3     | 1,600                       | -                                 | -                                     | 1,600               | 848                 |
| Investment income   | 4     | 7                           | -                                 | -                                     | 7                   | 2                   |
| <i>Incoming resources from charitable activities:</i>       |       |                             |                                   |                                       |                     |                     |
| Funding for the academy trust's educational operations      | 5     | -                           | 15,612                            | 1,985                                 | 17,597              | 5,514               |
| <b>Total income resources</b>                               |       | <b>3,835</b>                | <b>13,485</b>                     | <b>33,478</b>                         | <b>50,798</b>       | <b>20,386</b>       |
| <b>Resources expended</b>                                   |       |                             |                                   |                                       |                     |                     |
| <i>Charitable activities:</i>                               |       |                             |                                   |                                       |                     |                     |
| Academy trust educational operations                        | 7     | -                           | 18,174                            | 862                                   | 19,036              | 7,325               |
| Governance costs  | 8     | -                           | 52                                | -                                     | 52                  | 35                  |
| <b>Total resources expended</b>                             | 6     | <b>-</b>                    | <b>18,226</b>                     | <b>862</b>                            | <b>19,088</b>       | <b>7,360</b>        |
| <b>Net incoming/(outgoing) resources before transfers</b>   |       | <b>3,835</b>                | <b>(4,741)</b>                    | <b>32,616</b>                         | <b>31,710</b>       | <b>13,026</b>       |
| Gross transfers between funds                               | 19    | (2,928)                     | 2,878                             | 50                                    | -                   | -                   |
| <b>Net income/(expenditure) for the year</b>                |       | <b>907</b>                  | <b>(1,863)</b>                    | <b>32,666</b>                         | <b>31,710</b>       | <b>13,026</b>       |
| <b>Other recognised gains and losses</b>                    |       |                             |                                   |                                       |                     |                     |
| Actuarial (losses) gains on defined benefit pension schemes | 19,29 | -                           | 380                               | -                                     | 380                 | -                   |
| <b>Net movement in funds</b>                                |       | <b>907</b>                  | <b>(1,483)</b>                    | <b>32,666</b>                         | <b>32,090</b>       | <b>13,026</b>       |

## Bright Tribe Trust

### Consolidated Statement of Financial Activities for the year ended 31 August 2015 (*continued*)

|  |       | Unrestricted<br>funds | Restricted<br>General<br>Funds | Restricted<br>Fixed Asset<br>Funds | Total 2015 | Total 2014 |
|--|-------|-----------------------|--------------------------------|------------------------------------|------------|------------|
| Note   | £'000 | £'000                 | £'000                          | £'000                              | £'000      |            |
| <b>Reconciliation of funds</b>                       |       |                       |                                |                                    |            |            |
|  |       | 907                   | (1,483)                        | 32,666                             | 32,090     | 13,026     |
| Net movement in funds brought forward                |       |                       |                                |                                    |            |            |
| Total funds brought forward at 1 September 2014      | 19    | 651                   | (4,420)                        | 16,351                             | 12,582     | (444)      |
| <hr/>  |       |                       |                                |                                    |            |            |
| <b>Total funds carried forward at 31 August 2015</b> |       | 1,558                 | (5,903)                        | 49,017                             | 44,672     | 12,582     |
| <hr/>  |       |                       |                                |                                    |            |            |

All of the academy's activities derive from continuing operations during the above two financial periods.



# Bright Tribe Trust

## Consolidated Balance Sheet

at 31 August 2015

Company No. 08144578

|  | Note | 2015<br>£'000 | 2015<br>£'000 | 2014<br>£'000 | 2014<br>£'000 |
|--|------|---------------|---------------|---------------|---------------|
| <b>Fixed assets</b>                            |      |               |               |               |               |
| Intangible assets                              | 13   |               | 20            |               | 23            |
| Tangible assets                                | 14   |               | 48,997        |               | 16,328        |
| Investments                                    | 15   |               | -             |               | -             |
|  |      |               | 49,017        |               | 16,351        |
| <b>Current assets</b>                          |      |               |               |               |               |
| Stock  | 16   | 12            |               | -             |               |
| Debtors  | 17   | 995           |               | 494           |               |
| Cash at bank and in hand                       |      | 3,679         |               | 175           |               |
|  |      | 4,686         |               | 669           |               |
| <b>Liabilities</b>                             |      |               |               |               |               |
| Creditors: amounts falling due within one year | 18   | (3,128)       |               | (2,072)       |               |
| <b>Net current assets</b>                      |      |               | 1,558         | (1,403)       |               |
| <b>Total assets less current liabilities</b>   |      |               |               |               |               |
|  |      |               | 50,575        | 14,948        |               |
| Pension scheme liability                       | 30   |               | (5,903)       |               | (2,366)       |
| <b>Net assets including pension liability</b>  |      |               | 44,672        | 12,582        |               |
| <b>Funds of the academy trust</b>              |      |               |               |               |               |
| <b>Restricted funds</b>                        |      |               |               |               |               |
| Fixed asset fund                               | 19   | 49,017        |               | 16,351        |               |
| General fund                                   | 19   | -             |               | (2,054)       |               |
| Pension reserve                                | 19   | (5,903)       |               | (2,366)       |               |
| <b>Total restricted funds</b>                  |      |               | 43,114        | 11,931        |               |
| <b>Unrestricted funds</b>                      | 19   |               | 1,558         | 651           |               |
| <b>Total funds</b>                             |      |               | 44,672        | 12,582        |               |

The financial statements on pages 22 to 52 were approved by the trustees, and authorised for issue on 22/12/2015 and are signed on their behalf by:



Miss A Sarginson

Trustee



# Bright Tribe Trust

## Company Balance Sheet at 31 August 2015 Company No. 08144578

|  | Note | 2015<br>£'000 | 2015<br>£'000 | 2014<br>£'000 | 2014<br>£'000 |
|--|------|---------------|---------------|---------------|---------------|
| <b>Fixed assets</b>                            |      |               |               |               |               |
| Intangible assets                              | 13   |               | 20            |               | 23            |
| Tangible assets                                | 14   |               | 48,997        |               | 16,328        |
|  |      |               | 49,017        |               | 16,351        |
| <b>Current assets</b>                          |      |               |               |               |               |
| Stock  | 16   | 12            |               | -             |               |
| Debtors  | 17   | 958           |               | 450           |               |
| Cash at bank and in hand                       |      | 3,646         |               | 153           |               |
|  |      | 4,616         |               | 603           |               |
| <b>Liabilities</b>                             |      |               |               |               |               |
| Creditors: amounts falling due within one year | 18   | (3,059)       |               | (2,007)       |               |
| <b>Net current assets</b>                      |      |               | 1,557         | (1,404)       |               |
| <b>Total assets less current liabilities</b>   |      |               |               |               |               |
|  |      |               | 50,574        | 14,947        |               |
| Pension scheme liability                       | 30   |               | (5,903)       |               | (2,366)       |
| <b>Net assets including pension liability</b>  |      |               | 44,671        | 12,581        |               |
| <b>Funds of the academy trust</b>              |      |               |               |               |               |
| <b>Restricted funds</b>                        |      |               |               |               |               |
| Fixed asset fund                               | 19   | 49,017        |               | 16,351        |               |
| General fund                                   | 19   | -             |               | (2,054)       |               |
| Pension reserve                                | 19   | (5,903)       |               | (2,366)       |               |
| <b>Total restricted funds</b>                  |      |               | 43,114        | 11,931        |               |
| <b>Unrestricted funds</b>                      | 19   |               | 1,557         | 650           |               |
| <b>Total funds</b>                             |      |               | 44,671        | 12,581        |               |

The financial statements on pages 22 to 52 were approved by the trustees, and authorised for issue on 22/12/2015 and are signed on their behalf by:



Miss A Sarginson

Trustee



## Bright Tribe Trust

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### Consolidated Cash Flow statement for the year ended 31 August 2015

|   | Note | 2015<br>£'000 | 2014<br>£'000 |
|---|------|---------------|---------------|
| <b>Net cash inflow from operating activities</b>                | 23   | 1,319         | 165           |
| Returns on investments and servicing of finance                 | 24   | 7             | 2             |
| Capital expenditure   | 25   | (50)          | -             |
| Cash on conversion  | 31   | 2,228         | 8             |
|   |      | <hr/>         | <hr/>         |
| <b>(Decrease)/increase in cash in the year</b>                  | 26   | 3,504         | 175           |
|   |      | <hr/>         | <hr/>         |
| <b>Reconciliation of net cash flow to movement in net funds</b> |      |               |               |
| Net funds at 1 September 2014                                   |      | 175           | -             |
|   |      | <hr/>         | <hr/>         |
| <b>Net funds at 31 August 2015</b>                              |      | <b>3,679</b>  | <b>175</b>    |
|   |      | <hr/>         | <hr/>         |



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015

### 1. Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Basis of Consolidation

The consolidated statement of financial activities and group balance sheet includes the financial statements of the charitable company and its trading subsidiary Bright Tribe Education Services Limited made up to the balance sheet date.

No separate statement of financial activities has been presented for Bright Tribe Trust alone, as permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

#### Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from each school to the academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bright Tribe Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 31.

#### 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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and are satisfied that the use of a going concern is appropriate for the Bright Tribe Trust. The Trustees, via the trust's board, gain assurance of future plans following review and approval of medium and long term corporate plans, budgets and discussions.



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 1. Accounting Policies (*continued*)

#### Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

- Donations

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

- Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the trust are recognised at their cost in the period which they are receivable as incoming resources, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

#### Resources Expended

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



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 1. Accounting Policies (*continued*)

Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds** - These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities** - These are costs incurred on the academy trust's educational operations.
- **Governance Costs** - These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### Intangible Fixed Assets

Intangible fixed assets comprise of publishing rights. Assets are recorded at cost and amortisation has been provided at the following rate in order to write off the asset over its useful life.

Amortisation is provided at the following rates:

- Publishing rights 10 years

#### 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 leasehold land, at rates calculated to write-off the cost of each asset on a straight-line basis over its expected useful life, as follows:-

- Long leasehold buildings 50 years
- Furniture and equipment 4 years
- Computer equipment 3 years
- Motor vehicles 5 years



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 1. Accounting Policies (*continued*)

#### Tangible Fixed Assets (*continued*)

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.

#### Leased Assets

Rentals under operating leases are charged on monthly basis over the lease term.

#### Investments

The academy's shareholding in the wholly owned subsidiary, Bright Tribe Education Services Limited, is included in the balance sheet at the cost of the share capital owned.

#### Stock

Unsold catering stocks are valued at the lower of cost or net realisable value.

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Pensions Benefits

Retirement Benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 1. Accounting Policies (continued)

#### Pensions Benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### Fund Accounting

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

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

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

### 2. Voluntary income

|                 | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Other donations | -                              | 1,775                        | 1,775                  | -                      |
|                 | -                              | 1,775                        | 1,775                  | -                      |

During the year, Helping Hands Trust Limited made a cash donation of £1.4m and an in-kind donation of £363k to help fund the start-up phase of the trust.

### 3. Activities for generating funds

|                    | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|--------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 20                             | -                            | 20                     | 12                     |
| Catering income    | 156                            | -                            | 156                    | 36                     |
| Other income       | 1,424                          | -                            | 1,424                  | 800                    |
|                    | 1,600                          | -                            | 1,600                  | 848                    |

# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 4. Investment income

|                     | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|---------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Short term deposits | 7                              | -                            | 7                      | 2                      |
|                     | <b>7</b>                       | <b>-</b>                     | <b>7</b>               | <b>2</b>               |

### 5. Funding for the Bright Tribe's Educational Operations

|                                | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|--------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| <b>DfE/EFA revenue grants</b>  |                                |                              |                        |                        |
| General Annual Grant (GAG)     | -                              | 14,679                       | 14,679                 | 4,939                  |
| Start up grants                | -                              | 345                          | 345                    | 115                    |
| Capital grants                 | -                              | 1,785                        | 1,785                  | 248                    |
| Other DfE/EFA grants           | -                              | 286                          | 286                    | 22                     |
|                                | <b>-</b>                       | <b>17,095</b>                | <b>17,095</b>          | <b>5,324</b>           |
| <b>Other government grants</b> |                                |                              |                        |                        |
| Local authority grants         | -                              | 218                          | 218                    | 50                     |
| Special educational projects   | -                              | 284                          | 284                    | 140                    |
|                                | <b>-</b>                       | <b>502</b>                   | <b>502</b>             | <b>190</b>             |
|                                | <b>-</b>                       | <b>17,597</b>                | <b>17,597</b>          | <b>5,514</b>           |

### 6. Resources expended

|  | Staff Costs<br>£'000 | Non-Pay Expenditure<br>Premises<br>£'000 | Other<br>£'000 | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|--|----------------------|--|----------------|------------------------|------------------------|
| Academy's educational operations:                  |                      |  |                |                        |                        |
| • Direct costs                                     | 10,936               | -  | 1,405          | 12,341                 | 4,667                  |
| • Allocated support costs                          | 2,494                | 2,378                                    | 1,823          | 6,695                  | 2,658                  |
|  | <b>13,430</b>        | <b>2,378</b>                             | <b>3,228</b>   | <b>19,036</b>          | <b>7,325</b>           |
| Governance costs including allocated support costs | -                    | -  | 52             | 52                     | 35                     |
|  | <b>13,430</b>        | <b>2,378</b>                             | <b>3,280</b>   | <b>19,088</b>          | <b>7,360</b>           |



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 6. Resources expended (continued)

Incoming/outgoing resources for the year include:

|                              | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|------------------------------|------------------------|------------------------|
| Operating leases:            |                        |                        |
| • Plant and machinery        | 52                     | 11                     |
| Fees payable to auditor for: |                        |                        |
| • Audit                      | 40                     | 19                     |
|                              | 92                     | 30                     |

#### Individual items above £5,000

|                                 | Total £ | Amount £ | Reason    |
|---------------------------------|---------|----------|-----------|
| Ex-gratia/compensation payments | 5,032   | 5,032    | Severance |

### 7. Charitable Activities

|  | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|--|------------------------|------------------------|
| <b>Direct costs</b>                          |                        |                        |
| Teaching and educational support staff costs | 10,936                 | 4,091                  |
| Amortisation                                 | 3                      | 3                      |
| Technology costs                             | 26                     | 2                      |
| Educational supplies                         | 354                    | 94                     |
| Examination fees                             | 165                    | 62                     |
| Staff development                            | 62                     | 10                     |
| Educational consultancy                      | 430                    | 177                    |
| Other direct costs                           | 365                    | 228                    |
|  | <b>12,341</b>          | <b>4,667</b>           |
| <b>Educational Support costs</b>             |                        |                        |
| Support staff costs                          | 2,494                  | 1,283                  |
| Depreciation                                 | 859                    | 275                    |
| Technology costs                             | 447                    | 125                    |
| Recruitment and support                      | 117                    | 29                     |
| Maintenance of premises and equipment        | 775                    | 260                    |
| Cleaning                                     | 261                    | 20                     |
| Rent and rates                               | 337                    | 135                    |
| Energy costs                                 | 255                    | 79                     |
| Insurance                                    | 183                    | 90                     |
| Security and transport                       | 120                    | 56                     |
| Catering                                     | 447                    | 100                    |
| Other support costs                          | 400                    | 206                    |
|  | <b>6,695</b>           | <b>2,658</b>           |
| <b>Total direct and support costs</b>        | <b>19,036</b>          | <b>7,325</b>           |



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 8. Governance costs

|  | Total<br>2015<br>£'000 | Total<br>2014<br>£'000 |
|--|------------------------|------------------------|
| Auditors' remuneration                   |                        |                        |
| Audit of group financial statements      | 35                     | 12                     |
| Audit of subsidiary financial statements | 5                      | 5                      |
| Other audit costs                        | -                      | 2                      |
| Other costs                              | 12                     | 16                     |
|  | <b>52</b>              | <b>35</b>              |

### 9. Staff

#### a. Staff costs

|                                     | 2015<br>£'000 | 2014<br>£'000 |
|-------------------------------------|---------------|---------------|
| Staff costs during the period were: |               |               |
| Wages and salaries                  | 9,272         | 3,644         |
| Social security costs               | 692           | 303           |
| Pension costs                       | 1,265         | 446           |
|                                     | <b>11,229</b> | <b>4,393</b>  |
| Supply staff costs                  | 743           | 280           |
| Staff restructuring costs           | 565           | 239           |
| Financial Strain Payments           | 143           | -             |
| Secondment costs                    | 750           | 462           |
|                                     | <b>13,430</b> | <b>5,374</b>  |

#### b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,200 (2014: £238,745). Individually, the payments were: £3,000, £3,168 and £5,032.



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 9. Staff (*continued*)

#### c. Staff numbers

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

|                              | 2015<br>No. | 2014<br>No. |
|------------------------------|-------------|-------------|
| <b>Charitable activities</b> |             |             |
| Teachers                     | 173         | 47          |
| Administrations and support  | 195         | 44          |
| Management                   | 37          | 16          |
|                              | <hr/>       | <hr/>       |
|                              | 405         | 107         |
|                              | <hr/> <hr/> | <hr/> <hr/> |

#### d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

|                     | 2015<br>No. | 2014<br>No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000   | 5           | 2           |
| £70,001 - £80,000   | -           | 1           |
| £80,001 - £90,000   | 2           | -           |
| £90,001 - £100,000  | 1           | -           |
| £100,001 - £110,000 | 2           | 1           |
| £150,001 - £160,000 | -           | 1           |

3 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £2,964 (2014: £14,364).



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 10. Related party transactions – Trustees’ remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees’ remuneration was as follows:

|                       |   |
|-----------------------|---|
| D Hopkins (Trustee)   | £90,000 - £95,000 (2014: £140,000 - £145,000)   |
| J Smith (Trustee)     | £100,000 - £105,000 (2014: £155,000 - £160,000) |
| K Kirkham (Trustee)   | £90,000 - £95,000 (2014: £nil)                  |
| A Sarginson (Trustee) | £95,000 - £100,000 (2014: £20,000 - £25,000)    |

During the year ended 31 August 2015, travel and subsistence expenses totalling £10,734 (2014: £13,575) were reimbursed to 3 trustees (2014: 2 trustees).

Other related party transactions involving the trustees are set out in note 30.

### 11. Central Services

Bright Tribe’s head office is charged to Academies on a flat % of recurrent GAG income and includes personnel working in the following areas; Governance services, Educational management and support services, Human Resources, Financial services, Communications and Marketing, Community Services and Executive leadership. Also included within the % is a range of fixed costs which are absorbed at head office, such as audit and legal costs.

|                            | 2015<br>£’000 |
|----------------------------|---------------|
| Alde Valley Academy        | 224           |
| Castle Hill Infants School | 58            |
| Castle Hill Junior School  | 71            |
| Cliff Lane Primary School  | 88            |
| Colchester Academy         | 165           |
| The Whitehaven Academy     | 404           |
| Werneth Primary School     | 186           |
|                            | <hr/>         |
| <b>Total</b>               | <b>1,196</b>  |
|                            | <hr/> <hr/>   |

### 12. Trustees’ and Officers’ Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,800 (2014: £238). The cost of this insurance is included in the total insurance cost.



## Bright Tribe Trust

### Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

#### 13. Intangible Assets

##### Group and Company

|                        | Publishing<br>Rights<br>£'000 |
|------------------------|-------------------------------|
| <b>Cost</b>            |                               |
| At 1 September 2014    | 25                            |
| Additions              | -                             |
| Disposals              | -                             |
|                        | <hr/>                         |
| At 31 August 2015      | 25                            |
|                        | <hr/> <hr/>                   |
| <b>Amortisation</b>    |                               |
| At 1 September 2014    | 2                             |
| Charged in year        | 3                             |
| Disposals              | -                             |
|                        | <hr/>                         |
| At 31 August 2015      | 5                             |
|                        | <hr/> <hr/>                   |
| <b>Net book values</b> |                               |
| At 31 August 2015      | 20                            |
|                        | <hr/> <hr/>                   |
| At 31 August 2014      | 23                            |
|                        | <hr/> <hr/>                   |

#### 14. Tangible Assets

##### Group and Company

|                        | Leasehold<br>land and<br>buildings<br>£'000 | Furniture<br>and<br>equipment<br>£'000 | Computer<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|------------------------|---|--|--------------------------------|----------------------------|----------------|
| <b>Cost</b>            |   |  |                                |                            |                |
| At 1 September 2014    | 16,124                                      | 404                                    | 75                             | -                          | 16,603         |
| Transfer on conversion | 30,433                                      | 194                                    | 846                            | 20                         | 31,493         |
| Additions              | 1,985                                       | 17                                     | 33                             | -                          | 2,035          |
| Disposals              | -   | -                                      | -                              | -                          | -              |
|                        | <hr/>                                       | <hr/>                                  | <hr/>                          | <hr/>                      | <hr/>          |
| At 31 August 2015      | 48,542                                      | 615                                    | 954                            | 20                         | 50,131         |
|                        | <hr/> <hr/>                                 | <hr/> <hr/>                            | <hr/> <hr/>                    | <hr/> <hr/>                | <hr/> <hr/>    |
| <b>Depreciation</b>    |   |  |                                |                            |                |
| At 1 September 2014    | 192   | 67                                     | 16                             | -                          | 275            |
| Charged in year        | 593   | 131                                    | 132                            | 3                          | 859            |
| Disposals              | -   | -                                      | -                              | -                          | -              |
|                        | <hr/>                                       | <hr/>                                  | <hr/>                          | <hr/>                      | <hr/>          |
| At 31 August 2015      | 785   | 198                                    | 148                            | 3                          | 1,134          |
|                        | <hr/> <hr/>                                 | <hr/> <hr/>                            | <hr/> <hr/>                    | <hr/> <hr/>                | <hr/> <hr/>    |

## Bright Tribe Trust

### Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

#### 14. Tangible Assets (continued)

|                        | Leasehold<br>land and<br>buildings<br>£'000 | Furniture<br>and<br>equipment<br>£'000 | Computer<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|------------------------|---|--|--------------------------------|----------------------------|----------------|
| <b>Net book values</b> |   |  |                                |                            |                |
| At 31 August 2015      | 47,757                                      | 417                                    | 806                            | 17                         | 48,997         |
| At 31 August 2014      | 15,932                                      | 337                                    | 59                             | -                          | 16,328         |

#### 15. Fixed Asset Investments

|   | Investments<br>in subsidiary<br>companies<br>£'000 |
|---|--|
| <b>Cost or valuation</b>                  |  |
| At 1 September 2014 and at 31 August 2015 | -  |
| <b>Net book value</b>                     |  |
| At 31 August 2015 and at 31 August 2014   | -  |

#### Subsidiary undertaking

The following was a subsidiary undertaking of the company.

| Name                                    | Class of shares | Holding |
|---|-----------------|---------|
| Bright Tribe Education Services Limited | Ordinary        | 100%    |

The aggregate of the share capital and reserves as at 31 August 2015 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

| Company                                 | Aggregate of<br>share capital<br>and reserves<br>£'000 | Profit/(loss)<br>£'000 |
|---|--|------------------------|
| Bright Tribe Education Services Limited | -  | -                      |

#### 16. Stock

|          | 2015<br>£'000 | Group<br>2014<br>£'000 | 2015<br>£'000 | Company<br>2014<br>£'000 |
|----------|---------------|------------------------|---------------|--------------------------|
| Catering | 12            | -                      | 12            | -                        |
|          | 12            | -                      | 12            | -                        |



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 17. Debtors

|                                | Group      |            | Company    |            |
|--------------------------------|------------|------------|------------|------------|
|                                | 2015       | 2014       | 2015       | 2014       |
|                                | £'000      | £'000      | £'000      | £'000      |
| Trade debtors                  | 98         | 117        | 51         | 56         |
| VAT recoverable                | 348        | 74         | 390        | 135        |
| Other debtors                  | 80         | 33         | 80         | 32         |
| Prepayments and accrued income | 469        | 270        | 437        | 227        |
|                                | <b>995</b> | <b>494</b> | <b>958</b> | <b>450</b> |

### 18. Creditors: amounts falling due within one year

|                                    | Group        |              | Company      |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | 2015         | 2014         | 2015         | 2014         |
|                                    | £'000        | £'000        | £'000        | £'000        |
| Trade creditors                    | 1,236        | 1,157        | 822          | 1,215        |
| Taxation and social security       | 260          | 108          | 222          | 108          |
| Amounts owed to group undertakings | -            | -            | 421          | -            |
| Other creditors                    | 272          | 201          | 271          | 177          |
| Accruals and deferred income       | 1,360        | 606          | 1,323        | 507          |
|                                    | <b>3,128</b> | <b>2,072</b> | <b>3,059</b> | <b>2,007</b> |

### Deferred Income

|                                      |            |            |            |            |
|--------------------------------------|------------|------------|------------|------------|
| Deferred income at 1 September 2014  | 327        | -          | 282        | -          |
| Resources deferred in the year       | 216        | 327        | 210        | 282        |
| Amounts released from previous years | (327)      | -          | (282)      | -          |
|                                      | <b>216</b> | <b>327</b> | <b>210</b> | <b>282</b> |

Deferred income is income received in the reported financial period which is intended for use within a future period. The deferred income balance at the end of the financial year was due to the academy trust holding funds received in advance for non-domestic rate bills, UIFSM funding and trips which had not yet gone ahead.

## Bright Tribe Trust

### Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

#### 19. Funds

|                                     | Balance at 1<br>September<br>2014<br>£'000 | Incoming<br>Resources<br>£'000 | Resources<br>expended<br>£'000 | Gains,<br>losses and<br>transfers<br>£'000 | Balance at<br>31 August<br>2015<br>£'000 |
|-------------------------------------|--|--------------------------------|--------------------------------|--|--|
| <b>Restricted general funds</b>     |  |                                |                                |  |  |
| General Annual Grant (GAG)          | (1,610)                                    | 14,679                         | (15,503)                       | 2,434                                      | -  |
| Start-up Grant                      | (444)                                      | 345                            | (345)                          | 444  | -  |
| Other DfE/EFA grants                | -  | 588                            | (588)                          | -  | -  |
| Other revenue grants                | -  | 1,775                          | (1,775)                        | -  | -  |
| Pension Reserve                     | (2,366)                                    | (3,902)                        | (15)                           | 380  | (5,903)                                  |
|                                     | (4,420)                                    | 13,485                         | (18,226)                       | 3,258                                      | (5,903)                                  |
| <b>Restricted fixed asset funds</b> |  |                                |                                |  |  |
| Inherited assets on conversion      | 16,351                                     | 31,493                         | (862)                          | -  | 46,982                                   |
| DfE/EFA capital grants              | -  | 1,785                          | -                              | 50   | 1,835                                    |
| Other capital grants                | -  | 200                            | -                              | -  | 200                                      |
|                                     | 16,351                                     | 33,478                         | (862)                          | 50   | 49,017                                   |
| <b>Total restricted funds</b>       | 11,931                                     | 46,963                         | (19,088)                       | 3,308                                      | 43,114                                   |
| <b>Unrestricted funds</b>           |  |                                |                                |  |  |
| Unrestricted funds                  | 651  | 3,835                          | -                              | (2,928)                                    | 1,558                                    |
| <b>Total unrestricted funds</b>     | 651  | 3,835                          | -                              | (2,928)                                    | 1,558                                    |
| <b>Total funds</b>                  | 12,582                                     | 50,798                         | (19,088)                       | 380  | 44,672                                   |

Academy unrestricted funds do not provide for the investment in Bright Tribe Education Services Limited, hence the £1k difference to the Academy unrestricted general funds on the balance sheet.

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

General Annual Grant (GAG) must be used for the normal running costs of the Trust's academies.

Other restricted funds comprise funds received from the DfE, EFA, Local Authorities and other government bodies to reimburse expenditure incurred by Bright Tribe Trust and its academies in their ordinary operational activities.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 19. Funds (continued)

#### Analysis of academies by fund balance

|  | Balance at<br>31 August<br>2015<br>£'000 |
|--|--|
| Alde Valley Academy                                  | 726                                      |
| Castle Hill Infants School                           | 138                                      |
| Castle Hill Junior School                            | 93                                       |
| Cliff Lane Primary School                            | 87                                       |
| Colchester Academy                                   | 675                                      |
| The Whitehaven Academy                               | (74)                                     |
| Werneth Primary School                               | 134                                      |
| Bright Tribe Trust                                   | (227)                                    |
| Bright Tribe Education Services Limited              | 6  |
| <b>Total before fixed assets and pension reserve</b> | <b>1,558</b>                             |
| Restricted fixed asset fund                          | 49,017                                   |
| Pension Reserve                                      | (5,903)                                  |
|  | <b>44,672</b>                            |

The Whitehaven Academy is carrying a net deficit of £74k on their portion of the fund. The net deficit relates to one-off absorption of redundancy costs. The trust is currently undergoing a restructure at the academy to return the academy to a surplus.

Bright Tribe Trust is carrying a net deficit of £227k on their portion of the fund. The net deficit relates to the start-up phase of the trust and it is expected that this will be brought back to a net surplus position in 15/16.

#### Analysis of Expenditure per Academy

|                                     | Teaching and<br>Educational<br>Support Staff<br>Costs<br>£'000 | Other<br>Support Staff<br>Costs<br>£'000 | Educational<br>Supplies<br>£'000 | Other Costs<br>(excl Dep'n)<br>£'000 | Total Costs<br>£'000 |
|-------------------------------------|--|--|----------------------------------|--------------------------------------|----------------------|
| Alde Valley Academy                 | 1,845  | 225                                      | 57                               | 683                                  | 2,810                |
| Castle Hill Infants School          | 630  | 53                                       | 22                               | 151                                  | 856                  |
| Castle Hill Junior School           | 842  | 56                                       | 36                               | 210                                  | 1,144                |
| Cliff Lane Primary School           | 985  | 114                                      | 33                               | 214                                  | 1,346                |
| Colchester Academy                  | 1,314  | 248                                      | 56                               | 497                                  | 2,115                |
| The Whitehaven Academy              | 3,010  | 256                                      | 84                               | 1,353                                | 4,703                |
| Werneth Primary School              | 1,646  | 101                                      | 66                               | 579                                  | 2,392                |
| Bright Tribe Trust                  | -  | 352                                      | -                                | 388                                  | 740                  |
| Bright Tribe Education Services Ltd | 664  | 1,089                                    | -                                | 367                                  | 2,120                |
| <b>Total</b>                        | <b>10,936</b>  | <b>2,494</b>                             | <b>354</b>                       | <b>4,442</b>                         | <b>18,226</b>        |

# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 20. Analysis of net assets between funds

|                          | Unrestricted<br>funds | Restricted<br>general funds | Restricted<br>fixed asset<br>funds | Total funds   |
|--------------------------|-----------------------|-----------------------------|------------------------------------|---------------|
|                          | £'000                 | £'000                       | £'000                              | £'000         |
| Intangible fixed assets  | -                     | -                           | 20                                 | 20            |
| Tangible fixed assets    | -                     | -                           | 48,997                             | 48,997        |
| Current assets           | 1,558                 | 3,128                       | -                                  | 4,686         |
| Current liabilities      | -                     | (3,128)                     | -                                  | (3,128)       |
| Pension scheme liability | -                     | (5,903)                     | -                                  | (5,903)       |
| <b>Total net assets</b>  | <b>1,558</b>          | <b>(5,903)</b>              | <b>49,017</b>                      | <b>44,672</b> |

### 21. Capital commitments

|  | 2015<br>£'000 | 2014<br>£'000 |
|--|---------------|---------------|
| Contracted for, but not provided in the financial statements | 629           | 217           |

### 22. Financial commitments

#### Operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

|  | 2015<br>£'000 | 2014<br>£'000 |
|--|---------------|---------------|
| <b>Other</b>                                 |               |               |
| Expiring within one year                     | 2             | -             |
| Expiring within two and five years inclusive | 45            | 28            |
| Expiring in over five years                  | -             | -             |
|  | <b>47</b>     | <b>28</b>     |

# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 23. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

|  | 2015<br>£'000 | 2014<br>£'000 |
|--|---------------|---------------|
| Net income   | 1,906         | (996)         |
| Capital grants   | (1,985)       | (248)         |
| Interest Income  | (7)           | (2)           |
| Amortisation (note 13)                                     | 3             | 2             |
| Depreciation (note 14)                                     | 859           | 275           |
| (Increase)/decrease in stock                               | (12)          | -             |
| (Increase)/decrease in debtors                             | (501)         | (418)         |
| Increase/(decrease) in creditors                           | 1,056         | 1,552         |
| <b>Net cash provided by/(used in) Operating Activities</b> | <b>1,319</b>  | <b>165</b>    |

### 24. Returns on investments and servicing of finance

|  | 2015<br>£'000 | 2014<br>£'000 |
|--|---------------|---------------|
| Interest received  | 7             | 2             |
| <b>Net cash inflow from returns on investment and servicing of finance</b> | <b>7</b>      | <b>2</b>      |

### 25. Capital expenditure and financial investment

|   | 2015<br>£'000 | 2014<br>£'000 |
|---|---------------|---------------|
| Purchase of tangible fixed assets   | (2,035)       | (248)         |
| Capital grants from DfE/EFA   | 1,985         | 248           |
| <b>Net cash outflow from capital expenditure and financial investment</b> | <b>(50)</b>   | <b>-</b>      |



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 26. Analysis of changes in net debt

|                          | At 1<br>September<br>2014<br>£'000 | Cashflow<br>£'000 | At 31 August<br>2015<br>£'000 |
|--------------------------|------------------------------------|-------------------|-------------------------------|
| Cash in hand and at bank | 175                                | 3,504             | 3,679                         |
|                          | 175                                | 3,504             | 3,679                         |

### 27. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any assets for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the EFA the same proportion of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined with reference to

- the value, at the time, of the Academy's site and premises and other assets held for the purpose of the Academy and;
- the extent to which expenditure incurred providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 28. Members' liabilities

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.

### 29. Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 1 Local Government Pension Schemes. Both are defined-benefit schemes.

As described in note 31 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £203k (2014: £74k) were payable to the schemes at 31 August 2015 and are included within creditors.



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 29. Pension and similar obligations (*continued*)

#### Teachers' Pension Scheme

##### Introduction

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

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

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

##### Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

##### Teachers' Pension Scheme Changes

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

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

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



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 29. Pension and similar obligations (*continued*)

#### Teachers' Pension Scheme Changes (*continued*)

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £663k, of which employer's contributions totalled £535k and employees' contributions totalled £128k. The agreed contribution rates for future years vary between 5.5 and 8.5 per cent for employees and 11.6 and 26.3 per cent for employers.

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.

The LGPS is managed by the following local authority pension funds;

- Cumbria Pension Fund
- Essex Pension Fund
- Greater Manchester Pension Fund
- Suffolk Pension Fund

#### Summary

The following figures are a summary of the name Local Government Pension Funds which provide pensions for the Trust's employees. In the 3 schemes above there were 7 academies (2014: 2).



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 29. Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

The following are the principal assumptions used in the 3 local authority schemes:

|  | 2015 |      |         | 2014 |      |         |
|--|------|------|---------|------|------|---------|
|  | From | To   | Average | From | To   | Average |
| Rate of increase in salaries                       | 2.3% | 4.5% | 3.1%    | 3.7% | 3.8% | 3.75%   |
| Rate of increase for pensions in payment/inflation | 2.5% | 4.6% | 3.7%    | 2.2% | 2.7% | 2.45%   |
| Discount rate for scheme liabilities               | 2.3% | 3.8% | 3.4%    | 4.0% | 4.4% | 2.2%    |
| Inflation assumption (CPI)                         | 2.7% | 4.0% | 3.6%    | 2.2% | 2.2% | 2.2%    |

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

|                      | 2015         |            |                 | 2014         |            |                 |
|----------------------|--------------|------------|-----------------|--------------|------------|-----------------|
|                      | From (years) | To (years) | Average (years) | From (years) | To (years) | Average (years) |
| Retiring today       |              |            |                 |              |            |                 |
| Males                | 21.4         | 23.0       | 22.4            | 21.4         | 23.0       | 22.2            |
| Females              | 24.0         | 25.6       | 24.8            | 24.0         | 25.5       | 24.75           |
| Retiring in 20 years |              |            |                 |              |            |                 |
| Males                | 24.0         | 25.8       | 24.8            | 24.0         | 25.7       | 24.85           |
| Females              | 26.6         | 28.8       | 27.5            | 26.6         | 28.7       | 27.65           |

The academy's share of the assets and liabilities in the schemes and the expected rates of return were;

|  | Expected return at 31 August 2015 | Fair value at 31 August 2015 | Expected return at 31 August 2014 | Fair value at 31 August 2014 |
|--|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
|  |                                   | £'000                        |                                   | £'000                        |
| Equities                                   | 3.8-6.5%                          | 2,947                        | 6.3-7.0%                          | 1,396                        |
| Bonds                                      | 3.6-3.8%                          | 920                          | 2.9-3.8%                          | 453                          |
| Property                                   | 3.8-6.1%                          | 449                          | 4.5-6.2%                          | 142                          |
| Cash                                       | 0.5-3.8%                          | 119                          | 0.5-7.0%                          | 171                          |
| Other                                      | 0.0-6.5%                          | 165                          |                                   | -                            |
| <b>Total market value of assets</b>        |                                   | <b>4,600</b>                 |                                   | <b>2,162</b>                 |
| <b>Present value of scheme liabilities</b> |                                   |                              |                                   |                              |
| • Funded                                   |                                   | (10,503)                     |                                   | (4,528)                      |
| <b>Surplus/(deficit) in the scheme</b>     |                                   | <b>(5,903)</b>               |                                   | <b>(2,366)</b>               |

# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 29. Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

The expected rate of return on plan assets is based upon market expectations at the beginning of the period and for investment returns over the entire life of the related obligation. The assumption used is the average of the above assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset classes. The rates quoted are gross of expenses.

The actual return on scheme assets was £139k (2014: £100k).

Amounts recognised in the statement of financial activities

|  | 2015<br>£'000 | 2014<br>£'000 |
|--|---------------|---------------|
| Current service cost (net of employee contributions) | 580           | 150           |
| Past service cost                                    | 8             | -             |
| <b>Total operating charge</b>                        | <b>588</b>    | <b>150</b>    |
| <b>Analysis of pension finance income/(costs)</b>    |               |               |
| Expected return on pension scheme assets             | (167)         | (65)          |
| Interest on pension liabilities                      | 291           | 107           |
| Administration expenses                              | (3)           | -             |
| Loss/(Gain) on settlement                            | (700)         | -             |
| <b>Pension finance income/(costs)</b>                | <b>9</b>      | <b>192</b>    |

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £239k gain (2014: £513k loss).

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

|                              | 2015<br>£'000 | 2014<br>£'000 |
|------------------------------|---------------|---------------|
| At 1 September               | 4,528         | 1,640         |
| Current service cost         | 580           | 150           |
| Interest cost                | 291           | 107           |
| Employee contributions       | 128           | 45            |
| Actuarial (gain)/loss        | (467)         | 593           |
| Benefits paid                | (45)          | -             |
| Past Service cost            | 8             | -             |
| Business Combinations        | 5,907         | 1,993         |
| Curtailments and settlements | (427)         | -             |
|                              | <b>10,503</b> | <b>4,528</b>  |



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 29. Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

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

|                                   | 2015         | 2014         |
|-----------------------------------|--------------|--------------|
|                                   | £'000        | £'000        |
| At 1 September                    | 2,162        | 992          |
| Expected return on assets         | 167          | 65           |
| Actuarial gain/(loss)             | (87)         | 80           |
| Employer contributions            | 535          | 150          |
| Employee contributions            | 128          | 45           |
| Business Combinations             | 2,005        | 830          |
| Benefits paid                     | (45)         | -            |
| Administration expenses           | (3)          | -            |
| Settlement prices received/(paid) | (262)        | -            |
|                                   | <b>4,600</b> | <b>2,162</b> |

The estimated value of employer contributions for the year ended 31 August 2016 is £738k.

The five-year history of experience adjustments is as follows:

|   | 2015           | 2014           |
|---|----------------|----------------|
|   | £'000          | £'000          |
| Present value of defined benefit obligations                          | (10,503)       | (4,528)        |
| Fair value of share of scheme assets                                  | 4,600          | 2,162          |
|   | <b>(5,903)</b> | <b>(2,366)</b> |
| Experience adjustments on share of scheme assets<br>Amount £'000      | (71)           | 70             |
| Experience adjustments on share of scheme liabilities<br>Amount £'000 | -              | -              |

### 30. Related party transactions

Owing to the nature of the Academies operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest.

All transactions involving such organisations are conducted at cost and in accordance with the Academies financial regulations and normal procurement procedures.



# Bright Tribe Trust

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## Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

### 30. Related party transactions (*continued*)

Bright Tribe Trust is connected to another multi-academy trust, the Adventure Learning Academy Trust, via Helping Hands Trust Limited being a member of both charities. Both multi-academy trusts ensure value for money is achieved by working collaboratively together across all areas of operations.

During the year, the trust has benefitted from the financial and resource support provided by Dr Michael Dwan, the principal benefactor of both Helping Hands Trust Limited and My World Trust.

Dr Dwan represents the founding sponsors of the trust and has, from the establishment of the trust, ensured that the development and operational phases are fully funded and that the trust is, when necessary, provided with services at cost or less, in full compliance with the Academies Financial Handbook.

Dr Dwan has provided this financial support by way of a personally funded bursary to Helping Hands Trust Limited and by the provision of cost or less services from North Consulting Limited, Blue Support Services Limited, The Knowledge Network (UK) Limited and North & Partners Technical Limited which are owned or controlled by Dr Dwan.

North Consulting Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £nil (2014 - £765k) due to this company. During the year, cost or less purchases were made from this company of £726k (2014 - £577k) and all relate to secondments and recharges from the company.

Blue Support Services Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £37k (2014 - £72k) due to this company. During the year, cost or less purchases were made from this company of £694k (2014 - £263k) and all relate to cost of staff TUPE'd from the trust/other recharges from the company.

The Knowledge Network (UK) Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £4k (2014 - £9k) due to this company. During the year, cost or less purchases were made from this company of £329k (2014 - £14k), £107k (2014 - £nil) relate to services provided to the trust and £222k (£14k) secondments and recharges from the company.

North and Partners Technical Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £nil (2014 - £nil) due to this company. During the year, cost or less purchases were made from this company of £125k (2014 - £88k) and all related to secondments from the company.

During the financial year the trust made aggregated cost or less purchases from the above named companies of £1,874k (2014: £942k) which can be analysed as £1,018k (2014: £478k) cost of staff TUPE'd from the trust/other recharges, £749k (2014: £373k) secondments the trust and £107k (2014: £91k) services provided to the trust.

The costs attributed to TUPE and other associated recharges are not discretionary and are fixed by law, the costs associated with secondment are subject to cost base only and are completely transparent.

During the financial year, Helping Hands Trust Limited made a cash donation of £1.4m, effectively funding the above secondment costs (£1,122k) and service costs (£198k) for the last two financial years, in addition subsidising the TUPE Staff/Recharged costs by £80k. The trust also declared in-kind donations of £363k relating to the delivery of managed estate service for the trust estate at below cost.



# Bright Tribe Trust

## Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

### 30. Related party transactions (continued)

In addition, Dr Dwan has funded a number of activities and services at his personal cost to further enhance the financial position of the trust. These have ranged from non-chargeable staff resources to capital works. This figure is estimated to be approximately £500k and includes a shortfall of £28k which relates to a £134k contract which was subcontracted during the year to ESPM (UK) Limited, who then subcontracted £134k of this contract to North & Partners Technical Limited. The actual cost to deliver the contract was £162k, the shortfall being met by Dr Dwan.

Since formation, Dr Dwan either directly or indirectly through Helping Hands Trust Limited has provided funding/in-kind services totalling £2,291k to the trust.

This means that Dr Dwan's connected organisations received £107k of service fees during the year, but Dr Dwan has made donations, directly or indirectly of £2,291k during the same period.

Adventure Learning Academy Trust is a charity in which Helping Hands Trust Limited, D Hopkins, A Elson, K Kirkham, A Sarginson and T Flanagan are trustees. Bright Tribe Trust works closely with the Adventure Learning Academy Trust, sharing appropriate resources and supply chain services. Included within debtors is a balance of £nil (2014 - £50,591) and in creditors a balance of £352,451 (2014 - £20,145) due to this company. During the year sales were made to this company of £663,216 (2014 - £535,146) and purchases of £20,145 (2014 - £nil).

Professor David Hopkins Publishing Limited is a company in which D Hopkins is a director. Included within creditors is a balance of £12,150 (2014 - £12,500) due to this company. During the year purchases were made from this company of £nil (2014 - £25,000).

Broomstile Consultants Limited is a company in which A Elson is a director. During the year purchases were made from this company of £9,391 (2014 - £nil).

Commando Joe's is a company in which T Flanagan is a director. Included within creditors is a balance of £7,800 (2014 - £nil) due to this company. During the year purchases were made from this company of £47,382 (2014 - £nil).

Colchester Academy is a company in which K Kirkham is a director. Included within debtors is a balance of £38,572 (2014 - £nil) due from this company. The academy transferred over to the trust on 1<sup>st</sup> April 2015.

Greater Manchester Sustainable Engineering Limited is a company in which A Elson is a director. Included within debtors is a balance of £12,653 (2014 - £12,653) due from this company. During the year purchases were made from this company of £nil (2014 - £44,396).

### 31. Conversion to an academy trust

During the year ended 31 August 2015 the following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bright Tribe Trust from the relevant local authorities for £nil consideration;

| Predecessor School         | Date of Transfer | Local Authority        |
|----------------------------|------------------|------------------------|
| Castle Hill Infants School | 1 December 2014  | Suffolk County Council |
| Castle Hill Junior School  | 1 December 2014  | Suffolk County Council |
| Cliff Lane Primary School  | 1 December 2014  | Suffolk County Council |
| Alde Valley Academy        | 1 January 2015   | Suffolk County Council |
| Colchester Academy         | 1 April 2015     | Essex County Council   |

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount as net income/resources expended in the Statement of Financial Activities as voluntary income/other resources expended.



## Bright Tribe Trust

### Notes forming part of the financial statements for the year ended 31 August 2015 (*continued*)

#### 31. Conversion to an academy trust (*continued*)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities;

|  | Unrestricted<br>Funds<br>£'000 | Restricted<br>general Funds<br>£'000 | Restricted fixed<br>asset funds<br>£'000 | Total<br>£'000 |
|--|--------------------------------|--------------------------------------|--|----------------|
| <b>Tangible fixed assets:</b>  |                                |                                      |  |                |
| <b>Long leasehold land and buildings</b>   |                                |                                      |  |                |
| Alde Valley Academy  | -                              | -                                    | 9,243                                    | 9,243          |
| Castle Hill Infants School   | -                              | -                                    | 2,053                                    | 2,053          |
| Castle Hill Junior School  | -                              | -                                    | 2,178                                    | 2,178          |
| Cliff Lane Primary School  | -                              | -                                    | 2,710                                    | 2,710          |
| Colchester Academy   | -                              | -                                    | 15,309                                   | 15,309         |
| <b>LGPS pension deficit:</b>   |                                |                                      |  |                |
| Alde Valley Academy  | -                              | (689)                                | -  | (689)          |
| Castle Hill Infants School, Castle Hill Junior School, Cliff Lane Primary School | -                              | (903)                                | -  | (903)          |
| Colchester Academy   | -                              | (2,310)                              | -  | (2,310)        |
| <b>Other identifiable assets and liabilities:</b>                                |                                |                                      |  |                |
| Alde Valley Academy  | 873                            | -                                    | -  | 873            |
| Castle Hill Infants School   | 142                            | -                                    | -  | 142            |
| Castle Hill Junior School  | 200                            | -                                    | -  | 200            |
| Cliff Lane Primary School  | 92                             | -                                    | -  | 92             |
| Colchester Academy   | 921                            | -                                    | -  | 921            |
| <b>Net assets/(liabilities)</b>  | <b>2,228</b>                   | <b>(3,902)</b>                       | <b>31,493</b>                            | <b>29,819</b>  |

# BrightTribe

learn grow prosper

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