

Registration number: 07754698

# Broughton Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Dodd & Co Limited  
FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

# **Broughton Academy**

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## **Broughton Academy**

### **Reference and administrative details**

<b>Members</b>	C Bateman P French K Shankland
<b>Trustees (Directors)</b>	R Dobie K Kirkup H Morgan (resigned 18 May 2022) A Jefferson K Woodcock P Graham K Wilson (resigned 18 May 2022) A Bewsher G Hannah A Wells, Chair
<b>Company Secretary</b>	A Wells
<b>Senior Management Team</b>	A Bewsher, Head Teacher and Accounting Officer S Bryden, Clerk to the Governors
<b>Principal and Registered Office</b>	Broughton Primary School Moor Road Great Broughton COCKERMOUTH CA13 0YT
<b>Company Registration Number</b>	07754698
<b>Auditors</b>	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW
<b>Solicitors</b>	Burnetts 6 Victoria Place CARLISLE CA1 1ES
<b>Bankers</b>	Lloyds Bank Plc 4 Main Street KESWICK CA12 5JA

## **Broughton Academy**

### **Trustees' report for the Year Ended 31 August 2022**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operated an academy for pupils aged 3 to 11 serving a catchment area in West Cumbria. It has a pupil capacity of 150 and had a roll of 163 in the school census on 23 May 2022. The Academy Trust ceased operations on 31 August 2022 with Broughton Primary School becoming a member school of the Learning for Life Trust.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee, incorporated on 26 August 2011, and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07754698.

The Governors act as the Trustees for the charitable activities of Broughton Academy and are also the Directors of the charitable company for the purposes of company law.

The Members may appoint up to 10 Trustees in accordance with article 50 and the Trustees may appoint up to 3 co-opted Trustees. The Local Authority may also appoint a Trustee.

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

##### ***Members' liability***

Each Member of the charitable company undertakes to contribute to the assets of the 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.

##### ***Trustees' indemnities***

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.



## **Broughton Academy**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Method of recruitment and appointment or election of Trustees***

The Academy shall have the following Trustees:

- up to 10 Trustees appointed by the Members,
- any Staff Trustees, as appointed by existing Members, up to one third of the total number of Trustees,
- up to 1 Local Authority Trustee, as appointed by the Local Authority,
- a minimum of 2 Parent Trustees, appointed by election by parents of registered pupils at the Academy,
- the Head Teacher
- any additional Trustees appointed by the Secretary of State, if required, and
- up to 3 Co-opted Trustees.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The Academy seeks to maintain a Board of Trustees with a balance of skills and diversity in order to enhance effectiveness and ensure that all stakeholders are represented. Should any gaps be identified, these may be addressed through the appointment of new Trustees.

During the period the Trustees held 6 meetings. The Trustees who were in office at 31 August 2022 and served throughout the period, except where shown, are listed on page 1. Their attendance record at meetings is also shown on page 8.

#### ***Policies and procedures adopted for the induction and training of Trustees***

The induction process for new Trustees included a meeting with the Head Teacher and provision of an induction pack. Further training was available through membership of Governor Support Services, to ensure that existing Trustees were informed of all legislative updates, in addition to the knowledge and experience they bring from their own professional backgrounds.

#### ***Organisational structure***

The Trustees were responsible for setting general policy, setting pay and remuneration of key management personnel, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Trustees delegated the day to day running of the Academy to the Head Teacher.

#### ***Arrangements for setting pay and remuneration of key management personnel***

The salary of the Head was in line with those on the Leadership scale taken from the Teacher's Pay and Conditions Document. The salaries were reviewed annually following appraisal interviews and if targets are met to the Directors' satisfaction it would be normal to award staff with one or more incremental rises, following discussion at a full finance meeting.

## **Broughton Academy**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Risk management***

The Trustees assessed the major risks to which the Academy was exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees implemented a number of systems to assess risks that the school faced, especially in operational areas and in relation to control of finance. They introduced systems, including operational procedures and internal financial controls, in order to minimise risk. Where significant risk still remained they ensured they had adequate insurance cover. The Academy had an effective system of internal financial controls and this is explained in more detail in the following statement.

#### ***Connected organisations, including related party relationships***

The Academy Trust administered the finances for its Out of School Club, which is run as a separate entity. The Out of School Club provides high quality care before and at the end of the school day.

#### **Objectives and activities**

##### ***Objects and aims***

The Academy's object was specifically restricted to the advancement of education for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

At Broughton Primary School we believe in integrating modern technology with traditional values in your child's education. We share your wish that your child achieves his/her full academic potential whilst showing an understanding of and respect for moral values. We respect our children and value the contribution of their ideas to the life of our school.

##### ***Public benefit***

The Academy provided educational services to all children in the local area. The Trustees confirm that they have complied with their duty to have due regard to the public benefit guidance published by the Charity Commission in exercising their powers or duties.

## **Broughton Academy**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

Achievements and performance 2021-2022:

% of Reception pupils reaching Good Level of Development (GLD): 71%

% of Year 1 pupils who passed the Phonics Screening Test: 67%

Key-Stage 1 SATs data:

- Reading Expected: 64%
- Reading Greater Depth: 29%
- Writing Expected: 36%
- Writing Greater Depth: 14%
- Maths Expected: 64%
- Maths Greater Depth: 21%

Average score for Year 4 Multiplication Tables Check: 20

Key-Stage 2 SATs data:

- Reading Expected: 44%
- Reading Greater Depth: 20%
- Writing Expected: 68%
- Writing Greater Depth: 28%
- Maths Expected: 68%
- Maths Greater Depth: 8%

##### ***Going concern***

Broughton Academy Trust operated only one school, Broughton Primary School, and this was transferred to the Learning for Life Trust, a Multi Academy Trust, on 1 September 2022, consequently the financial statements have not been prepared on a going concern basis. The effect of this is explained further in the Statement of Accounting Policies.



## **Broughton Academy**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### **Financial review**

Most of the Academy's income was obtained from the Department for Education in the form of recurrent grants, the use of which was restricted to particular purposes. The grants received from the Department for Education during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the Department for Education. Such grants are shown in the statement of financial activities as restricted income. Such assets are held in the restricted fixed asset fund and depreciated over their useful economic life.

Special Educational Needs funding, Nursery grants and Supply income were received from the Local Education Authority in addition to the funding received from the Department for Education.

Income for the period ended 31 August 2022 totalled £797,607. The total expenditure of £854,680 was spent entirely on the Academy's objectives, which were covered by recurrent grant funding from the Department of Education and other income sources. This resulted in a deficit in the year of £57,073, before the actuarial gain of £391,000 has been taken into account. The Academy had sufficient reserves with which to absorb the small deficit (before accounting for the actuarial gain) and has joined the Learning for Life Trust with effect from 1 September 2022.

The Trustees do not believe that the Covid-19 pandemic has had a significant impact on the overall operating results for the year. During the year the Academy received Covid-19 recovery premium of £2,000.

Included within the Statement of Financial Activities is an actuarial gain of £391,000 on the Local Government Pension Scheme. The deficit as at 31 August 2022 is £164,000 which is a £350,000 decrease over the deficit of £514,000 as at 31 August 2021. Note 24 to the financial statements gives full details of the scheme.

#### ***Financial and risk management objectives and policies***

The Academy Trust used various financial instruments which include bank balances, cash and trade creditors with limited trade and other debtors. The main purpose of these financial instruments was to provide working capital for the company's operations.

The Trustees agree policies for managing the risks arising from the company's financial instruments. These include the following:

**Liquidity risk** - The Academy Trust aimed to ensure sufficient liquidity were available to meet foreseeable needs and invests cash assets safely and profitably.

**Credit risk** - Credit sales represent a very low percentage of total income and therefore credit risk from trade debtors was considered minimal. Nevertheless, any debts were reviewed regularly in conjunction with debt ageing and collection history.

**Market risk** - The Academy Trust held minimal funds as investments and therefore risk arising from changes in market prices and interest rates was negligible. Nevertheless, the market position was monitored and assessed on a regular basis.

## **Broughton Academy**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Reserves policy***

The Trustees reviewed the reserve levels of the Academy annually. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees did not previously have a formal reserves policy and has joined the Learning for Life Trust with effect from 1 September 2022. Any reserves, which have been accumulated in line with best practise, were held to provide sufficient working capital to cover any delay, reduction, or cessation of funding streams, together with any unexpected emergencies such as urgent maintenance requirements. Reserves over and above this level were reinvested in the school's educational operations to ensure the highest quality of education continued to be provided. Free reserves at 31 August 2022 were £15,943 which is in keeping with the Academy's reserves policy. The balance held in restricted general funds (excluding the pension reserve) is £nil.

#### ***Investment policy***

The Academy Trust held minimal investments other than bank and cash balances. Investment policy related only to the management of cash flows, banking, the effective control of the risks associated with those activities, and the achievement of performance consistent with those risks.

#### ***Fundraising***

Our school parent committee 'KABS' have been our main source of any additional fund raising. This is a charity group run by parents and they raise funds through discos, quiz nights and other events in order to purchase 'extras' for the children and help with expenses for school trips, particularly contributing towards transport.

At the end of the summer term, the school secured funding of £68,000 from the Community Investment Fund, to install a Multi-Use Games Area on the school yard in January 2023.

- There has been no work with any commercial participators and professional fundraisers.
- There has been no fundraising which has not conformed to recognised standards.
- There have been no fundraising complaints.
- We have protected the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches.

#### ***Plans for future periods***

Broughton Primary School joined the Learning for Life Trust on 1 September 2022. Plans for future periods are disclosed within the Trustees' Report of that Trust.

#### ***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.

Approved by order of the Trustees on 7 December 2022 and signed on its behalf by:

  
.....  
A Wells, Chair  
Trustee



# **Broughton Academy**

## **Governance Statement**

### **Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to A Bewsher, Head Teacher and Accounting 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 Broughton Academy 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 reviews**

Governance is reviewed on an annual basis. During the year there were two resignations from the Board of Trustees and there have been no changes since the year end. The controls in place over the recruitment of Trustees ensured the effective appointment and training of new Trustees as required, which ensured that the running of the Academy wasn't adversely affected by changes in the Board of Trustees and that good governance was maintained. The Trust ceased operations on 31 August 2022.

### **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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Wells	6	6
H Morgan	4	5
K Woodcock	6	6
R Dobie	2	6
K Kirkup	5	6
K Wilson	2	5
A Jefferson	3	6
P Graham	6	6
A Bewsher	6	6
G Hannah	5	6

## **Broughton Academy**

### **Governance Statement**

There have been two resignations from the Board of Trustees during the year. The Board of Trustees had overriding responsibility for the management of all aspects of school life including buildings, finance, education and Health & Safety. The day to day responsibilities of all these aspects was delegated to the Headteacher.

The Board continually assessed its own effectiveness and regularly carried out a skills audit of all members. In the Self Evaluation Form prepared for Ofsted they assessed their performance as good.

Any data used by the Board be it academic, financial or related to Health & Safety matters is provided by the appropriate person e.g., the Headteacher in relation to academic performance and the Bursar in relation to financial matters. Recommendations are made in relation to this data by the appropriate person, these are considered by the Board members and then dealt with accordingly.

The Trustees do not consider that the Covid-19 pandemic has had a significant impact on the Academy's governance arrangements.

#### **Conflicts of Interest**

Conflicts of interest are managed by maintaining and monitoring an up-to-date and complete register of interests to ensure any such conflicts do not arise.

The Finance and Staffing Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure efficient and effective use of the Academy's financial resources in order to meet the objectives of the Academy. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
H Morgan	4	5
A Wells	6	6
A Bewsher	6	6
K Woodcock	5	6
K Kirkup	3	3



# **Broughton Academy**

## **Governance Statement**

### **Review of value for money**

As Accounting Officer the Head Teacher had responsibility for ensuring that the Academy delivered good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- carefully managing staffing structures to keep staffing costs as low as possible.
- using the pupil premium grant to narrow the gap between PP children and the rest of the children in school through focusing on intervention for targeted groups of children.
- working collaboratively with the WELL project to secure funding to provide high-quality interventions to improve attainment and progress for our pupils.
- continuously monitoring costs. The Finance Committee monitors spending particularly in relation to the school buildings.
- applying for funding to improve the outdoor yard and install a new Multi-Use Games Area.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Broughton Academy for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes 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;

## Broughton Academy

### Governance Statement

- 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:

- to appoint Stephen Lester, an external consultant, as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The following areas were covered in respect of the year ended 31 August 2022:

- Cyber Security
- ESFA assurance audit findings and actions
- Review of follow up actions from the internal scrutiny annual report for 2020/21

There were no material control or other issues reported by the internal auditor to date.


#### **Review of effectiveness**

As Accounting Officer, A Bewsher, Head Teacher and Accounting 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Staffing 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 7 December 2022 and signed on its behalf by:

  
.....  
A Bewsher  
Trustee

  
.....  
A Wells, Chair  
Trustee

## **Broughton Academy**

### **Statement of regularity, propriety and compliance**

As Accounting Officer of Broughton Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



A Bewsher, Head Teacher and Accounting Officer



## **Broughton Academy**

### **Statement of Trustees' Responsibilities**

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 7 December 2022 and signed on its behalf by:



A Wells, Chair  
Trustee

## **Broughton Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Broughton Academy**

#### **Opinion**

We have audited the financial statements of Broughton Academy (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

#### **Basis for opinion**

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

#### **Emphasis of matter**

We draw attention to Note 1 to the financial statements which explains that the Academy Trust has ceased activities and the Trustees do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

#### **Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance Statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **Broughton Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Broughton Academy (continued)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 13], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor Responsibilities for the audit of the financial statements**

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

## **Broughton Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Broughton Academy (continued)**

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Academy's remuneration policies and key drivers for the senior management team's remuneration;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax and pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities SORP, ESFA Accounts Direction, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context related to the Health and Safety Act, Employment Law and the Education Act.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;



## **Broughton Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Broughton Academy (continued)**

- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

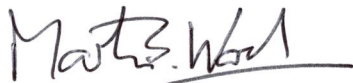
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's 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 and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Ward (Senior Statutory Auditor)  
For and on behalf of Dodd & Co Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

7 December 2022

## **Broughton Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Broughton Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 10 November 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Broughton Academy during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Broughton Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Broughton Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Broughton Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Board of Trustees' Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Trust Handbook extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

## **Broughton Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Broughton Academy and the Education and Skills Funding Agency**

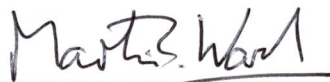
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

The work undertaken to draw our conclusion includes:

- enquiries of the Accounting Officer and reviewing the statement on regularity, propriety and compliance provided by the Accounting Officer
- investigating whether any special payments to staff have been made, including compromise agreements and severance pay
- reviewing transactions with related parties and ensuring the requirements of Part 3 'Delegated authorities' of the Handbook have been followed
- reviewing minutes of meetings to ensure sound governance is applied
- evaluation of the internal control procedures in place, including systems of delegation and authorisation
- evaluating systems of procurement and ensuring they adhere to the limits set by the academy and the ESFA.

#### **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 from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Martin Ward

For and on behalf of Dodd & Co Limited, Chartered Accountants

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

7 December 2022



## Broughton Academy

### Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	1,480	23,008	8,813	33,301
Other trading activities	4	21,500	-	-	21,500
Investments	5	9	-	-	9
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	742,797	-	742,797
<b>Total</b>		22,989	765,805	8,813	797,607
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	832,280	22,400	854,680
Net income/(expenditure)		22,989	(66,475)	(13,587)	(57,073)
Transfers between funds		(25,475)	25,475	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	391,000	-	391,000
Net movement in (deficit)/funds		(2,486)	350,000	(13,587)	333,927
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		18,429	(514,000)	760,012	264,441
Total funds/(deficit) carried forward at 31 August 2022		15,943	(164,000)	746,425	598,368

## Broughton Academy

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	7,900	4,499	9,946	22,345
Other trading activities	4	19,867	-	-	19,867
Investments	5	11	-	-	11
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	669,555	-	669,555
Total		27,778	674,054	9,946	711,778
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	759,341	21,584	780,925
Net income/(expenditure)		27,778	(85,287)	(11,638)	(69,147)
Transfers between funds		(55,287)	55,287	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	5,000	-	5,000
Net movement in deficit		(27,509)	(25,000)	(11,638)	(64,147)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		45,938	(489,000)	771,650	328,588
Total funds/(deficit) carried forward at 31 August 2021		18,429	(514,000)	760,012	264,441

**Broughton Academy**  
**(Registration number: 07754698)**  
**Balance Sheet as at 31 August 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	743,941	754,875
<b>Current assets</b>			
Stocks	12	3,000	3,000
Debtors	13	24,775	13,465
Cash at bank and in hand		58,034	59,155
		85,809	75,620
Creditors: Amounts falling due within one year	14	(67,382)	(52,054)
Net current assets		18,427	23,566
Total assets less current liabilities		762,368	778,441
Net assets excluding pension liability		762,368	778,441
Pension scheme liability	24	(164,000)	(514,000)
Net assets including pension liability		598,368	264,441
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		(164,000)	(514,000)
Restricted fixed asset fund		746,425	760,012
		582,425	246,012
<b>Unrestricted funds</b>			
Unrestricted general fund		15,943	18,429
Total funds		598,368	264,441

The financial statements on pages 20 to 47 were approved by the Trustees, and authorised for issue on 7 December 2022 and signed on their behalf by:



A Bewsher  
Governor and trustee



A Wells, Chair  
Governor and trustee

## Broughton Academy

### Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	1,313	(19,802)
Cash flows from investing activities	19	(2,443)	(6,469)
Cash flows from financing activities		<u>9</u>	<u>11</u>
Change in cash and cash equivalents in the year		(1,121)	(26,260)
Cash and cash equivalents at 1 September		<u>59,155</u>	<u>85,415</u>
Cash and cash equivalents at 31 August	20	<u>58,034</u>	<u>59,155</u>



# **Broughton Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2022**

### **1 Accounting policies**

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

#### **Basis of preparation**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

#### **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 at least one year from the date of authorisation for issue of the financial statements.

During the financial year the Trustees took the strategic decision to transfer the school's operations to the Learning for Life Trust, a multi academy trust with effect from 1 September 2022. Consequently, the Trustees have prepared the financial statements on a basis other than that of going concern. No adjustments have arisen as a result of ceasing to apply the going concern basis of accounting.

#### **Income**

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

#### **Grants**

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

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

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

## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### ***Donations***

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

##### ***Other income***

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

##### ***Transfer on conversion***

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

##### ***Expenditure***

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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

All resources expended are inclusive of irrecoverable VAT.



# **Broughton Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

### **1 Accounting policies (continued)**

#### **Tangible fixed assets**

Buildings and property improvements above £10,000 and furniture, computers and other equipment costing £500 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Freehold property consists of land and buildings at Broughton Primary School. The property was valued at £880,000 on 15 October 2012 by P E Whitby MRICS of GVA Grimley Ltd on the basis of depreciated replacement cost. The governors consider this figure to be an accurate valuation of the property as at 31 August 2021.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	Straight line over 50 years
Furniture and equipment	Straight line over 3 - 7 years
Motor vehicles	Straight line over 7 years
Computer equipment	Straight line over 2 - 5 years

#### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### ***Provisions***

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note [X]. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes [X]. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Stock**

Unsold uniforms and 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 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy 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.



## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension 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.

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 the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **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 funders, where the asset acquired or created is held for a specific purpose.

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

##### **Critical accounting estimates and areas of judgement**

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

## Broughton Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Educational trips and visits	-	23,008	-	23,008	4,499
Donations	1,480	-	-	1,480	7,900
Capital funding	-	-	5,603	5,603	5,496
Donated fixed assets	-	-	3,210	3,210	4,450
	<u>1,480</u>	<u>23,008</u>	<u>8,813</u>	<u>33,301</u>	<u>22,345</u>

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 3 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
GAG School Budget Share	584,686	584,686	493,565
GAG Supplementary Grant	7,921	7,921	-
GAG Pupil Premium	22,149	22,149	20,490
GAG Rates	2,390	2,390	2,474
PE and Sports Grant	17,090	17,090	17,050
ESFA Teachers Pay Grant	870	870	6,873
ESFA Teachers Pension Grant	2,458	2,458	19,420
ESFA Infant Meal Funding	24,008	24,008	25,595
ESFA Other Funding	1,388	1,388	-
	<u>662,960</u>	<u>662,960</u>	<u>585,467</u>
<b>Other government grants</b>			
LEA Nursery Grant	58,411	58,411	58,614
LEA SEN Funding	12,316	12,316	12,344
Other Government Grants	5,490	5,490	2,650
	<u>76,217</u>	<u>76,217</u>	<u>73,608</u>
<b>Covid-19 additional funding (DfE/ESFA)</b>			
Catch-up Premium	-	-	10,480
Recovery Premium	2,000	2,000	-
School-led Tutoring	1,620	1,620	-
	<u>3,620</u>	<u>3,620</u>	<u>10,480</u>
<b>Total grants</b>	<u>742,797</u>	<u>742,797</u>	<u>669,555</u>



# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 4 Other trading activities

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Catering income	17,800	17,800	15,667
Other sales	1,270	1,270	775
Nursery fee income	2,430	2,430	3,425
	<u>21,500</u>	<u>21,500</u>	<u>19,867</u>

### 5 Investment income

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Short term deposits	<u>9</u>	<u>9</u>	<u>11</u>

### 6 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other costs £	2021/22 Total £	2020/21 Total £
<b>Academy's educational operations</b>					
Direct costs	580,054	-	34,290	614,344	592,446
Allocated support costs	<u>71,886</u>	<u>98,380</u>	<u>70,070</u>	<u>240,336</u>	<u>188,479</u>
	<u>651,940</u>	<u>98,380</u>	<u>104,360</u>	<u>854,680</u>	<u>780,925</u>

### Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating lease rentals	2,674	1,933
Depreciation	22,190	21,584
Fees payable to auditor - audit	3,275	3,175
- other audit services	<u>413</u>	<u>388</u>

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 7 Charitable activities

	Restricted funds £	Restricted fixed asset funds £	Total 2022 £	Total 2020 £
<b>Direct costs</b>				
Teaching and educational support staff costs	580,054	-	580,054	561,264
Educational supplies	32,361	-	32,361	27,234
Staff development	1,929	-	1,929	3,948
	<u>614,344</u>	<u>-</u>	<u>614,344</u>	<u>592,446</u>
<b>Allocated support costs</b>				
Support staff costs	39,886	-	39,886	35,916
Defined benefit pension scheme service cost	32,000	-	32,000	21,000
Depreciation	-	22,190	22,190	21,584
Maintenance of premises and equipment	26,251	210	26,461	23,220
Cleaning	20,950	-	20,950	23,664
Rent, rates and utilities	25,986	-	25,986	18,828
Insurance	2,793	-	2,793	2,466
Security and transport	25,492	-	25,492	6,166
Catering	11,380	-	11,380	8,729
Interest on defined benefit pension scheme	9,000	-	9,000	9,000
Governance costs	24,198	-	24,198	17,906
	<u>217,936</u>	<u>22,400</u>	<u>240,336</u>	<u>188,479</u>
	<u>832,280</u>	<u>22,400</u>	<u>854,680</u>	<u>780,925</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

## Broughton Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff costs

	2021/22 £	2020/21 £
<b>Staff costs during the year were:</b>		
Wages and salaries	467,108	442,967
Social security costs	34,674	32,960
Pension costs	141,656	126,626
	<u>643,438</u>	<u>602,553</u>
Supply teacher costs	8,502	15,627
	<u>651,940</u>	<u>618,180</u>

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2021 No	2020 No
<b>Charitable Activities</b>		
Teachers	10	9
Administration and support	15	15
	<u>25</u>	<u>24</u>

#### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was Nil (2021: Nil).

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £100,045 (2021: £94,658).



## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **9 Related party transactions - trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

A Bewsher (Head Teacher):

Remuneration: £50,000 - £55,000 (2021 - £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2021 - £10,000 - £15,000)

During the year ended 31 August 2022, travel and expenses totalling £Nil (2021 - £Nil) were reimbursed to 0 trustee (2021 - 0).

Other related party transactions involving the trustees are set out in note 25.

#### **10 Trustees' and officers' insurance**

The Academy's insurance cover is provided by the Risk Protection Arrangement and this covers the protection of governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

The cost of this insurance is included in the total insurance cost.

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	2021/22 Total £
<b>Cost</b>					
At 1 September 2021	896,932	19,434	58,096	10,285	984,747
Additions	-	-	11,256	-	11,256
At 31 August 2022	896,932	19,434	69,352	10,285	996,003
<b>Depreciation</b>					
At 1 September 2021	160,248	15,505	46,774	7,345	229,872
Charge for the year	14,221	1,050	5,450	1,469	22,190
At 31 August 2022	174,469	16,555	52,224	8,814	252,062
<b>Net book value</b>					
At 31 August 2022	722,463	2,879	17,128	1,471	743,941
At 31 August 2021	736,684	3,929	11,322	2,940	754,875

### 12 Stock

	2022 £	2021 £
Books and stationery	3,000	3,000

### 13 Debtors

	2022 £	2021 £
Trade debtors	169	-
Prepayments and accrued income	15,253	10,953
VAT recoverable	9,353	2,512
	24,775	13,465

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,667	4,379
Other taxation and social security	9,666	9,125
Pension scheme creditor	11,358	11,667
Accruals	23,797	10,054
Deferred income	17,894	16,829
	<u>67,382</u>	<u>52,054</u>
	<b>2022</b>	<b>2021</b>
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2021	16,829	14,569
Resources deferred in the period	17,894	16,829
Amounts released from previous periods	<u>(16,829)</u>	<u>(14,569)</u>
Deferred income at 31 August 2022	<u>17,894</u>	<u>16,829</u>

Capital funding and infant meal funding were received during the period for the year ending 31 March 2023. Accordingly, 7/12 of these funds have been deferred and will be shown as income during the year to 31 August 2023.



# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 15 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant	-	617,146	(642,621)	25,475	-
Pension deficit	(514,000)	-	(41,000)	391,000	(164,000)
Special Educational Needs funding (SEN)	-	12,316	(12,316)	-	-
Other restricted funds	-	111,335	(111,335)	-	-
Restricted trip fund	-	23,008	(23,008)	-	-
Recovery premium	-	2,000	(2,000)	-	-
	<u>(514,000)</u>	<u>765,805</u>	<u>(832,280)</u>	<u>416,475</u>	<u>(164,000)</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion to Academy status	718,465	-	(13,832)	-	704,633
Capital funding	41,547	5,603	(8,358)	-	38,792
Donated fixed assets	-	3,210	(210)	-	3,000
	<u>760,012</u>	<u>8,813</u>	<u>(22,400)</u>	<u>-</u>	<u>746,425</u>
Total restricted funds	246,012	774,618	(854,680)	416,475	582,425
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>18,429</u>	<u>22,989</u>	<u>-</u>	<u>(25,475)</u>	<u>15,943</u>
Total funds	<u>264,441</u>	<u>797,607</u>	<u>(854,680)</u>	<u>391,000</u>	<u>598,368</u>

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 15 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant	-	516,529	(571,816)	55,287	-
Pension deficit	(489,000)	-	(30,000)	5,000	(514,000)
Special Educational Needs funding (SEN)	-	12,344	(12,344)	-	-
Other restricted funds	-	130,202	(130,202)	-	-
Restricted trip fund	-	4,499	(4,499)	-	-
Recovery premium	-	10,480	(10,480)	-	-
	<u>(489,000)</u>	<u>674,054</u>	<u>(759,341)</u>	<u>60,287</u>	<u>(514,000)</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion to Academy status	732,297	-	(13,832)	-	718,465
Capital funding	39,353	9,946	(7,752)	-	41,547
	<u>771,650</u>	<u>9,946</u>	<u>(21,584)</u>	<u>-</u>	<u>760,012</u>
Total restricted funds	282,650	684,000	(780,925)	60,287	246,012
<b>Unrestricted funds</b>					
Unrestricted general funds	45,938	27,778	-	(55,287)	18,429
Total funds	<u>328,588</u>	<u>711,778</u>	<u>(780,925)</u>	<u>5,000</u>	<u>264,441</u>

## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **15 Funds (continued)**

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

##### **Purposes of restricted fixed asset funds**

Assets transferred from Broughton Primary School on conversion to Academy status are included at the value transferred, less accumulated depreciation thereon.

Restricted capital funding consists of the balance of ring-fenced capital funds transferred from Cumbria County Council on conversion to Academy status, together with GAG capital funding receivable in the period, less expenditure on capital items. Outgoing resources includes the cost of items below the de minimis limit for capitalisation plus the depreciation charge on assets capitalised within the fund.

##### **Purposes of restricted funds**

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. GAG funding received in the year was fully spent.

The Academy's share of the Local Government Pension Scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Other restricted funds from the Local Authority and sundry sources were spent in full during the period.

Total restricted general funds held at the year end (excluding pension scheme liabilities) was £nil. Total unrestricted general funds held at the year end was £18,429.

##### **Transfers**

A transfer of £25,475 was made from Unrestricted to Other Restricted Funds to cover the deficit in the year.



# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 16 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	743,941	743,941
Current assets	15,943	67,382	2,484	85,809
Current liabilities	-	(67,382)	-	(67,382)
Pension scheme liability	-	(164,000)	-	(164,000)
Total net assets	<u>15,943</u>	<u>(164,000)</u>	<u>746,425</u>	<u>598,368</u>

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	754,875	754,875
Current assets	18,429	48,797	8,394	75,620
Current liabilities	-	(48,797)	(3,257)	(52,054)
Creditors over 1 year	-	(514,000)	-	(514,000)
Total net assets	<u>18,429</u>	<u>(514,000)</u>	<u>760,012</u>	<u>264,441</u>

### 17 Commitments under operating leases

#### Operating leases

At 31 August 2022 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	<u>-</u>	<u>1,932</u>

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2021/22 £	2020/21 £
Net expenditure	(57,073)	(69,147)
Depreciation	22,190	21,584
Donated capital and capital grants	(8,813)	(9,946)
Interest receivable	(9)	(11)
Defined benefit pension scheme net interest	9,000	9,000
Defined benefit pension scheme service cost adjustment	32,000	21,000
(Increase)/decrease in debtors	(11,310)	171
Increase in creditors	15,328	7,547
Net cash inflow/(outflow) from Operating Activities	<u>1,313</u>	<u>(19,802)</u>

### 19 Cash flows from investing activities

	2021/22 £	2020/21 £
Purchase of tangible fixed assets	(11,256)	(16,415)
Capital grants from DfE Group	5,603	5,496
Donated fixed assets	<u>3,210</u>	<u>4,450</u>
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(2,443)</u>	<u>(6,469)</u>

### 20 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	<u>58,034</u>	<u>59,155</u>
Total cash and cash equivalents	<u>58,034</u>	<u>59,155</u>

## Broughton Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 21 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	59,155	(1,121)	58,034
	-	-	-
Total	<u>59,155</u>	<u>(1,121)</u>	<u>58,034</u>

#### 22 Member liability

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

#### 23 Events after the end of the reporting period

With effect from 1 September 2022 the operations of Broughton Primary School have been transferred to the Learning for Life Trust, with all assets, liabilities and fund balances being transferred at the values recorded in the financial statements for the year ended 31 August 2022. The company known as Broughton Academy will be dissolved following approval of the financial statements for the year ended 31 August 2022..

#### 24 Pension and similar obligations

The academy trust'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 Cumbria County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £11,358 (2021 - £11,667) were payable to the schemes at 31 August and are included within creditors.



## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **24 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.

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £68,803 (2021: £71,517).

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

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

## Broughton Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 24 Pension and similar obligations (continued)

##### 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 2022 was £47,803 (2021 - £44,714), of which employer's contributions totalled £39,353 (2021 - £36,914) and employees' contributions totalled £8,450 (2021 - £7,800). The agreed contribution rate for future years is 18.5 per cent for employers with deficit recovery contributions of £11,000, £11,300 and £11,600 due for the years 2020/21, 2021/22 and 2022/23 respectively. Employees rates are calculated using Local Government Pension Scheme employee contributions procedures, which have now been banded.

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

##### Principal actuarial assumptions

	At 31 August 2021 %	At 31 August 2020 %
Rate of increase in salaries	4.40	4.20
Rate of increase for pensions in payment/inflation	3.00	2.80
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	<u>2.90</u>	<u>2.70</u>

The actuary's view is that expected future CPI can be derived by deducting a margin for inflation risk premium of around 1.2% p.a. up to 2030 (when the RPI formula will become consistent with the calculation of CPIH) and 0.5% p.a. after that date. The resulting CPI assumption will vary depending on the duration bucket of the employer (as for longer durations a greater proportion of benefits will be payable after 2030, when RPI will have been aligned with CPIH). The inflation rate used in the assumptions is much lower than the current high inflation rates seen in the UK as it is expected that they will be of a short term nature. On this basis it was not considered necessary to seek revised valuations which incorporated a higher inflation assumption.

# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 24 Pension and similar obligations (continued)

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

	At 31 August 2021	At 31 August 2020
<b>Retiring today</b>		
Males retiring today	22.60	22.70
Females retiring today	25.30	25.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.10	24.30
Females retiring in 20 years	<u>27.10</u>	<u>27.20</u>
<b>Sensitivity analysis</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Discount rate +0.1%	148,000	491,000
Discount rate -0.1%	180,000	537,000
Mortality assumption – 1 year increase	180,000	550,000
Mortality assumption – 1 year decrease	148,000	479,000
CPI rate +0.1%	181,000	538,000
CPI rate -0.1%	147,000	490,000
Pay growth +0.1%	<u>166,000</u>	<u>517,000</u>

The academy trust's share of the assets in the scheme were:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Equities	212,000	247,000
Government bonds	89,000	108,000
Property	61,000	48,000
Cash and other liquid assets	19,000	24,000
Other	<u>247,000</u>	<u>203,000</u>
Total market value of assets	<u>628,000</u>	<u>630,000</u>

The actual return on scheme assets was (£45,000) (2021 - £88,000).



# Broughton Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 24 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2021/22	2020/21
	£	£
Current service cost	71,000	58,000
Net interest costs	8,000	8,000
Administration expenses	1,000	1,000
Total operating charge	<u>80,000</u>	<u>67,000</u>

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

	2021/22	2020/21
	£	£
At 1 September	1,144,000	992,000
Current service cost	71,000	58,000
Interest cost	19,000	17,000
Employee contributions	8,000	8,000
Actuarial losses	(446,000)	73,000
Benefits paid	(4,000)	(4,000)
At 31 August	<u>792,000</u>	<u>1,144,000</u>

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

	2021/22	2020/21
	£	£
At 1 September	630,000	503,000
Interest income	11,000	9,000
Actuarial gains	(55,000)	78,000
Employer contributions	39,000	37,000
Employee contributions	8,000	8,000
Benefits paid	(4,000)	(4,000)
Administration expenses	(1,000)	(1,000)
At 31 August	<u>628,000</u>	<u>630,000</u>

## **Broughton Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **25 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

#### **Expenditure related party transactions**

During the year the academy made the following related party transactions:

##### **G Bewsher**

(Spouse of Head Teacher)

During the year G Bewsher provided decorating services to the Academy to the value of £0 (2021 - £398)..

At the balance sheet date the amount due (to)/from G Bewsher was £Nil (2021 - £398).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

#### **Income related party transactions**

During the year the academy made the following related party transactions:

##### **Great Broughton Out Of School Club Limited**

(Controlled by trustees)

During the year the Academy Trust received £60 rent from Great Broughton Out Of School Club Limited for use of the school's facilities (2021 - £60). At the balance sheet date the amount due from Great Broughton Out Of School Limited was £Nil (2021 - £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.