

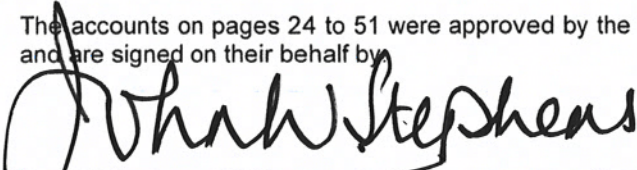
BRIGHT FUTURES EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £000's	2018 £000's
Fixed assets			
Tangible assets	13	33,165	41,906
Current assets			
Debtors	14	1,511	1,238
Cash at bank and in hand		6,909	4,460
		<u>8,420</u>	<u>5,698</u>
Current liabilities			
Creditors: amounts falling due within one year	15	<u>(4,079)</u>	<u>(3,449)</u>
Net current assets			<u>2,249</u>
Total assets less current liabilities			<u>44,155</u>
Creditors: amounts falling due after more than one year	16	<u>(4,995)</u>	<u>(5,087)</u>
Net assets before defined benefit pension scheme liability			<u>39,068</u>
Defined benefit pension scheme liability	20	<u>(11,991)</u>	<u>(6,670)</u>
Total net assets		<u>20,520</u>	<u>32,398</u>
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		33,165	41,906
- Restricted income funds		(654)	(2,838)
- Pension reserve		<u>(11,991)</u>	<u>(6,670)</u>
Total restricted funds		<u>20,520</u>	<u>32,398</u>
Unrestricted income funds	18	-	-
Total funds		<u>20,520</u>	<u>32,398</u>

The accounts on pages 24 to 51 were approved by the trustees and authorised for issue on 13 December 2019 and are signed on their behalf by


Dr J W Stephens CBE
Accounting Officer


D Rubin
Chairman

Company Number 07695771

BRIGHT FUTURES EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000's	2018 £000's
Cash flows from operating activities			
Net cash provided by operating activities	21	2,764	1,658
Cash flows from investing activities			
Dividends, interest and rents from investments		3	2
Capital grants from DfE Group		941	436
Capital funding received from sponsors and others		128	-
Purchase of tangible fixed assets		(1,383)	(755)
Net cash used in investing activities		(311)	(317)
Cash flows from financing activities			
Repayment of Salix Loan		(4)	21
Net cash (used in)/provided by financing activities		(4)	21
Net increase in cash and cash equivalents in the reporting period		2,449	1,362
Cash and cash equivalents at beginning of the year		4,460	3,098
Cash and cash equivalents at end of the year		6,909	4,460

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, 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 (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bright Futures Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts.

The financial statements have been prepared on the going concern basis, which assumes that the charitable company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued provision of adequate funding. The financial statements do not include any adjustments that would result if the funds were not made available.

The charitable company finances its operations with bank facilities provided by Lloyds Bank and borrowings from the Education Skills Funding Agency (ESFA). At the balance sheet date, amounts due to the ESFA total £5.9m. The trustees have agreed a 8 year period, commencing from 1 April 2019 to repay the balance. This time frame should enable the charitable company to adequately manage cash flow allowing them to continue trading for the foreseeable future.

Considering the above the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the trust was established are stated at historical costs less accumulated depreciation and any accumulated impairment losses.

In the case of fixed assets transferred from predecessor schools these are treated as acquired at fair value, calculated by reference to either:

- net book value at date of transfer: or
- in the absence of reliable net book value data, an estimate of fair value calculated by reference to an assumed value of fixed assets as compared to the pupil roll.

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.11 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.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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 Education and Skills Funding Agency.

1.12 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balance held are disclosed in note 25.

1.13 PFI agreement

The Academy occupies buildings which are owned by Blackpool Council and utilised by the Academy under a PFI agreement. The Academy pays revenue contributions in respect of the facilities management and buildings use. The contract will expire in the year 2042. The Academy does not have any rights or obligations of ownership in respect of these assets and therefore they are not included on the Academy's balance sheet. The revenue payment is recognised in the SOFA. Where the Academy procures and pays for additional furniture or equipment or changes to the building, the costs are capitalised and depreciated in accordance with the tangible fixed assets policy.

2 Critical accounting estimates and areas of judgement

Accounting 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.

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
Private sponsorship	-	404	404	58
Capital grants	-	1,069	1,069	436
	-	1,473	1,473	494

4 Funding for the academy trust's educational operations

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
DfE / ESFA grants				
General annual grant (GAG)	-	24,434	24,434	24,252
Other DfE group grants	-	4,710	4,710	4,017
	-	29,144	29,144	28,269
Other government grants				
Local authority grants	-	2,986	2,986	2,293
Other funding				
Teaching schools income	-	1,992	1,992	2,009
Total funding	-	34,122	34,122	32,571

5 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
Hire of facilities	107	-	107	153
Catering income	-	107	107	125
Other income	494	3	497	453
	601	110	711	731

6 Investment income

	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's	Total 2018 £000's
Short term deposits	-	3	3	2

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £000's	Premises & equipment £000's	Other costs £000's	Total 2019 £000's	Total 2018 £000's
Academy transferred out	-	-	-	-	4,220
Academy's educational operations					
- Direct costs	20,199	-	2,521	22,720	22,506
- Allocated support costs	5,489	2,926	2,099	10,514	6,439
Teaching schools					
- Direct costs	613	-	1,366	1,979	1,775
- Allocated support costs	6	-	46	52	131
	<u>26,307</u>	<u>2,926</u>	<u>6,032</u>	<u>35,265</u>	<u>35,071</u>

Net income/(expenditure) for the year includes:

	2019 £000's	2018 £000's
Fees payable to auditor for:		
- Audit	34	33
- Other services	50	42
Operating lease rentals	7	21
PFI Unitary charge	17	
Depreciation of tangible fixed assets	1,067	1,231
Net interest on defined benefit pension liability	197	200

Central services

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

- human resources co-ordination and casework
- financial services via hub managers
- IT Services
- Facilities and estates via hub managers

The academy trust charges for these services on a flat 4% of GAG income.

The amounts charged during the year were as follows:

	Total £000's
Altrincham Grammar School for Girls	239
Cedar Mount Academy	241
Connell Sixth Form College	43
Marton Primary Academy and Nursery	47
Melland High School	64
Rushbrook Primary Academy	119
South Shore Academy	165
Stanley Grove Primary Academy	121
	<u>1,039</u>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	2019	2018
	£000's	£000's
All from restricted funds:		
Direct costs		
Educational operations	22,720	22,506
Teaching schools	1,979	1,775
Support costs		
Educational operations	10,511	10,657
Teaching schools	55	133
	<u>35,265</u>	<u>35,071</u>

	£000's	Educational operations £000's	Total 2019 £000's	Total 2018 £000's
Analysis of support costs				
Support staff costs	6	5,489	5,495	5,223
Depreciation	-	1,067	1,067	1,307
Technology costs	-	386	386	392
Premises costs	-	1,859	1,859	2,066
Other support costs	46	1,553	1,599	1,705
Governance costs	3	157	160	97
	<u>55</u>	<u>10,511</u>	<u>10,566</u>	<u>10,790</u>

9 Central services

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

- human resources co-ordination and casework
- financial services via hub managers
- IT Services
- Facilities and estates via hub managers

The academy trust charges for these services on a flat 4% of GAG income.

The amounts charged during the year were as follows:

	2019	2018
	£000's	£000's
Altrincham Grammar School for Girls	239	235
Cedar Mount Academy	241	214
Connell Sixth Form College	43	65
Marion Primary Academy and Nursery	47	49
Melland High School	64	65
Rushbrook Primary Academy	119	120
South Shore Academy	165	166
Stanley Grove Primary Academy	121	118
	<u>1,039</u>	<u>1,032</u>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £000's	2018 £000's
Wages and salaries	19,366	19,175
Social security costs	1,870	1,853
Pension costs	4,296	3,852
	<hr/>	<hr/>
Amounts paid to employees	25,532	24,880
Agency staff costs	395	524
Staff restructuring costs	55	286
	<hr/>	<hr/>
Amounts paid to staff	25,982	25,690
Staff development and other staff costs	325	284
	<hr/>	<hr/>
Total staff expenditure	26,307	25,974
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	12	286
Severance payments	40	-
Other restructuring costs	3	-
	<hr/>	<hr/>
	55	286
	<hr/> <hr/>	<hr/> <hr/>

Non statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual severance payments during the year ended 31 August 2019.

Staff numbers

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

	2019 Number	2018 Number
Teachers	264	280
Administration and support	266	283
Management	43	49
	<hr/>	<hr/>
	573	612
	<hr/> <hr/>	<hr/> <hr/>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 to £70,000	7	5
£70,001 to £80,000	7	6
£80,001 to £90,000	2	4
£90,001 to £100,000	2	1
£100,001 to £110,000	2	3
£140,001 to £150,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £583,010 (2018: £485,500).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an 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 services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Dr J W Stephens CBE (CEO and trustee) £140,001 - £150,000 (2018: £140,001 - £150,000)

The value of trustees' employers pension contributions was as follows:

Dr J W Stephens CBE (CEO and trustee) £20,001 - £30,000 (2018: £20,001 - £30,000)

Other related party transactions involving the trustees are set out within the related parties note

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost for the year ended 31 August 2019 was included within the combined insurance policy and has not been specified separately.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000's	£000's	£000's	£000's
Cost				
At 1 September 2018	45,823	1,668	2,128	49,619
Transfer of academy out of the trust	(9,466)	(404)	(604)	(10,474)
Additions	718	441	224	1,383
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	37,075	1,705	1,748	40,528
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 September 2018	5,610	1,288	815	7,713
Transfer of academy out of the trust	(782)	(394)	(241)	(1,417)
Charge for the year	700	236	131	1,067
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	5,528	1,130	705	7,363
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 August 2019	31,547	575	1,043	33,165
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	40,213	380	1,313	41,906
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Assets with a NBV of £9,056,724 were transferred out of the trust with Connell Sixth Form.

14 Debtors

	2019 £000's	2018 £000's
Trade debtors	150	171
Other debtors	537	378
Prepayments and accrued income	824	689
	<u> </u>	<u> </u>
	1,511	1,238
	<u> </u>	<u> </u>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year	2019 £000's	2018 £000's
Government loans	5	5
Trade creditors	801	631
ESFA creditors	929	724
Other creditors	211	4
Accruals and deferred income	2,133	2,085
	<u>4,079</u>	<u>3,449</u>

Government loans represents an interest free loan of £4,706 from Salix, this amount represents two repayments of an initial £37,640 loan, repayable in biannual instalments of £2,353.

The ESFA creditor is being repaid over an 8 year period from 1 April 2019.

16 Creditors: amounts falling due after more than one year	2019 £000's	2018 £000's
Government loans	12	16
ESFA Creditor over 1 year	4,983	5,071
	<u>4,995</u>	<u>5,087</u>

Analysis of loans

Wholly repayable within five years	17	21
Less: included in current liabilities	(5)	(5)
	<u>12</u>	<u>16</u>

Loan maturity

Debt due in one year or less	5	5
Due in more than one year but not more than two years	5	5
Due in more than two years but not more than five years	7	11
	<u>17</u>	<u>21</u>

Government loans represents an interest free loan of £12,000 from Salix, this amount represents seven repayments of an initial £37,640 loan, repayable in biannual instalments of £2,353.

The ESFA creditor is being repaid over an 8 year period from 1 April 2019.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Deferred income	2019 £000's	2018 £000's
Deferred income is included within:		
Creditors due within one year	991	920
Deferred income at 1 September 2018	920	382
Released from previous years	(920)	(382)
Resources deferred in the year	991	920
Deferred income at 31 August 2019	991	920

Included within deferred income at the balance sheet date are funds received in advance for School Capital Funding of £457,840, Universal Infant Free School Meals £110,763 and £362,362 in relation to the teaching school.

18 Funds

	Balance at 1 September 2018 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2019 £000's
Restricted general funds					
General Annual Grant (GAG)	(2,838)	24,434	(22,495)	186	(713)
Other DfE / ESFA grants	-	4,710	(4,710)	-	-
Other government grants	-	2,986	(2,986)	-	-
Teaching schools	-	1,992	(2,034)	101	59
Other restricted funds	-	517	(517)	-	-
Pension reserve	(6,670)	-	(1,171)	(4,150)	(11,991)
	(9,508)	34,639	(33,913)	(3,863)	(12,645)
Restricted fixed asset funds					
Fixed asset transfers and capital grants	41,906	1,069	(10,124)	314	33,165
Total restricted funds	32,398	35,708	(44,037)	(3,549)	20,520
Unrestricted funds					
General funds	-	601	-	(601)	-
Total funds	32,398	36,309	(44,037)	(4,150)	20,520

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academy.
- (ii) The other DfE/ESFA grants fund is used to track grants provided by local and central government departments.
- (iii) The other restricted funds tracks grants, donations and other income arising from sources other than grants provided by central and local government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held.

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 2019.

Restated comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2018 £000's
Restricted general funds					
General Annual Grant (GAG)	(3,151)	24,252	(30,824)	6,885	(2,838)
Other DfE / ESFA grants	-	4,017	-	(4,017)	-
Other government grants	-	2,293	-	(2,293)	-
Teaching schools	-	2,009	(1,908)	(101)	-
Other restricted funds	-	247	-	(247)	-
Pension reserve	(7,782)	-	(1,032)	2,144	(6,670)
	<u>(10,933)</u>	<u>32,818</u>	<u>(33,764)</u>	<u>2,371</u>	<u>(9,508)</u>
Restricted fixed asset funds					
Fixed asset transfers and capital grants	42,459	436	(1,307)	318	41,906
	<u>42,459</u>	<u>436</u>	<u>(1,307)</u>	<u>318</u>	<u>41,906</u>
Total restricted funds	<u>31,526</u>	<u>33,254</u>	<u>(35,071)</u>	<u>2,689</u>	<u>32,398</u>
Unrestricted funds					
General funds	-	545	-	(545)	-
	<u>-</u>	<u>545</u>	<u>-</u>	<u>(545)</u>	<u>-</u>
Total funds	<u>31,526</u>	<u>33,799</u>	<u>(35,071)</u>	<u>2,144</u>	<u>32,398</u>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds	(Continued)	
Total funds analysis by academy		
	2019	2018
Fund balances at 31 August 2019 were allocated as follows:	£000's	£000's
Altrincham Grammar School for Girls	922	454
Cedar Mount Academy	869	36
Connell Sixth Form College	-	(3,840)
Marton Primary Academy and Nursery	224	395
Melland High School	798	635
Rushbrook Primary Academy	960	683
South Shore Academy	(525)	(350)
Stanley Grove Primary Academy	1,340	1,494
Central services	(5,242)	(2,345)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	(654)	(2,838)
Restricted fixed asset fund	33,165	41,906
Pension reserve	(11,991)	(6,670)
	<hr/>	<hr/>
Total funds	20,520	32,398
	<hr/> <hr/>	<hr/> <hr/>

The academy trust is carrying a net deficit of £654,000 in the general restricted funds. The academy trust is taking steps to clear this deficit as noted in the trustees report.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£000's	£000's	£000's	£000's	£000's	£000's
Altrincham Grammar School for Girls	4,583	1,078	2,109	788	8,558	7,619
Cedar Mount Academy	3,925	827	439	817	6,008	5,267
Connell Sixth Form College	828	226	258	245	1,557	2,697
Marton Primary Academy and Nursery	1,354	235	95	257	1,941	1,746
Melland High School	2,169	608	75	132	2,984	2,637
Rushbrook Primary Academy	2,253	561	205	475	3,494	3,387
South Shore Academy	3,157	558	503	521	4,739	4,721
Stanley Grove Primary Academy	2,296	676	203	512	3,687	3,404
Central services	248	445	2	250	945	2,287
	<u>20,813</u>	<u>5,214</u>	<u>3,889</u>	<u>3,997</u>	<u>33,913</u>	<u>33,765</u>

19 Analysis of net assets between funds

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total Funds £000's
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	33,165	33,165
Current assets	-	8,420	-	8,420
Creditors falling due within one year	-	(4,079)	-	(4,079)
Creditors falling due after one year	-	(4,995)	-	(4,995)
Defined benefit pension liability	-	(11,991)	-	(11,991)
Total net assets	<u>-</u>	<u>(12,645)</u>	<u>33,165</u>	<u>20,520</u>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £000's	Restricted funds: General Fixed asset £000's £000's		Total Funds £000's
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	41,906	41,906
Current assets	-	5,698	-	5,698
Creditors falling due within one year	-	(3,449)	-	(3,449)
Creditors falling due after one year	-	(5,087)	-	(5,087)
Defined benefit pension liability	-	(6,670)	-	(6,670)
Total net assets	-	(9,508)	41,906	32,398

20 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 the Lancashire County Pension Fund and the Greater Manchester Pension Fund. The actuary for the Lancashire County Pension Fund is Mercer and the Greater Manchester Pension Fund is Hymans Robertson. Both schemes are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £28,419 (2018: £23,843) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The employers contribution will increase to 23.6% from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,895,000 (2018: £1,906,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

The Trust currently has 2 schemes in operation, one with Greater Manchester Pension Fund, covering the following schools; Altrincham Girls Grammar School, Melland High School, Stanley Grove Primary Academy, Cedar Mount Academy and Rushbrook Primary Academy. The second scheme is with Lancashire County Pension Fund and includes South Shore Academy, Marton Primary Academy and Nursery and Bright Futures Educational Trust.

The total contributions are as noted below. The contributions per Fund are as follows:

Greater Manchester Pension Fund - employer's contributions £908,000 (2018: £694,000), employee's contributions £296,000 (2018: £208,000).

Lancashire County Pension Fund - employer's contributions £247,000 (2018: £238,000), employee's contributions £67,000 (2018: £65,000).

The agreed contribution rates for future years are 14.9 - 19.1% for employers and 5.5 - 12.5% for employees.

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

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

Total contributions made	2019 £000's	2018 £000's
Employer's contributions	1,155	932
Employees' contributions	363	273
	<hr/>	<hr/>
Total contributions	1,518	1,205
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.1 - 3.5	3.2 - 3.6
Rate of increase for pensions in payment/inflation	2.1 - 2.3	2.2 - 2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.2	2.1
	<hr/> <hr/>	<hr/> <hr/>

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6 - 22.8	21.5 - 22.7
- Females	23.1 - 25.5	24.1 - 25.4
Retiring in 20 years		
- Males	22.0 - 25.5	23.7 - 25.0
- Females	24.8 - 28.2	26.2 - 28.0
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Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate - 0.1%	615	465
Mortality assumption + 1 year	80	70
CPI rate + 0.1%	522	389
	<hr/> <hr/>	<hr/> <hr/>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £000's	2018 Fair value £000's
Equities	11,330	10,970
Bonds	2,284	2,299
Cash	1,390	712
Property	1,410	1,006
Other assets	966	786
	<hr/>	<hr/>
Total market value of assets	17,380	15,773
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £916,000 (2018: £794,000).

Amount recognised in the Statement of Financial Activities	2019 £000's	2018 £000's
Current service cost	2,041	1,735
Past service cost	373	29
Interest income	(446)	(362)
Interest cost	643	562
	<hr/>	<hr/>
Total operating charge	2,611	1,964
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of defined benefit obligations	2019 £000's
At 1 September 2018	22,443
Current service cost	2,041
Interest cost	643
Employee contributions	363
Actuarial loss/(gain)	4,620
Benefits paid	(251)
Past service cost	373
Effect of non-routine settlements and administration expenses	(861)
	<hr/>
At 31 August 2019	29,371
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BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

	2019 £000's
At 1 September 2018	15,773
Interest income	446
Actuarial gain	470
Employer contributions	1,155
Employee contributions	363
Benefits paid	(251)
Effect of non-routine settlements	(576)
At 31 August 2019	<u>17,380</u>

21 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £000's	2018 £000's
Net expenditure for the reporting period (as per the statement of financial activities)	(7,728)	(1,272)
Adjusted for:		
Net deficit on transfer of academy out of the trust	8,772	-
Capital grants from DfE and other capital income	(1,069)	(436)
Investment income receivable	(3)	(2)
Defined benefit pension costs less contributions payable	1,259	832
Defined benefit pension scheme finance cost	197	200
Depreciation of tangible fixed assets	1,067	1,231
Loss on disposal of fixed assets	-	76
(Increase)/decrease in debtors	(273)	298
Increase in creditors	542	731
Net cash provided by operating activities	<u>2,764</u>	<u>1,658</u>

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000's	2018 £000's
Amounts due within one year	120	156
Amounts due in two and five years	424	422
Amounts due after five years	1,694	1,756
	<u>2,238</u>	<u>2,334</u>

The Academy has a commitment to make a unitary payment to Blackpool Council under a PFI contract which commenced on 1 September 2017. The annual commitment for the year was £86k, although the final charge was significantly lower due to a rebate as a result of issues with the building. The contract is until 31 August 2042 and the annual unitary charges increase with inflation.

23 Related party transactions

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

Challenge Partners - a Trustee of the company is also a Bright Futures Executive .

- The Trust purchased educational resources totalling £23,669 (2018: £3,988) and had income totalling £13,527 (2018: £2,061) for room hire and courses provided by the maths hub.

ESSA Academy - a Member of ESSA Academy is also a Member at Bright Futures. Additionally, a Trustee of ESSA Academy is also a Bright Futures Executive.

- The Trust had income totalling £23,615 (2018: £32,665) for the provision of courses and had purchases totalling £5,260 (2018: £60). There is a balance of £155 (2018: £3,570) owing to the trust at year end.

Hill Dickinson LLP – A Trustee of Bright Futures was a partner at Hill Dickinson LLP for part of the year.

- The Trust incurred legal costs totalling £8,601 (2018: £7,331).

Pioneer House High School - a high school for which the principal of Melland High School is a governor. the year, the Trust incurred expenses of £nil (2018: £1,000).

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he or she ceases to be a member.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £65k (2018: £56k) and disbursed £65k (2018: £56k) from the fund, with the balance carried forward totalling £nil.

26 Teaching schools trading account	2019		2018	
	£000's	£000's	£000's	£000's
Direct income				
Other external funding		1,992		2,009
Direct costs				
Direct staff costs	608		458	
Educational supplies and services	76		16	
Staff development	5		9	
Educational consultancy	677		383	
Other direct costs	613		909	
	<u>1,979</u>		<u>1,775</u>	
Other costs				
Support staff costs	6		80	
Technology costs	-		1	
Maintenance of premises and equipment	-		1	
Transport	30		13	
Catering	13		9	
Other support costs	3		27	
Share of governance costs	3		2	
	<u>55</u>		<u>133</u>	
Total operating costs		(2,034)		(1,908)
Transfers between funds excluding depreciation		101		(101)
Surplus from teaching schools		59		-
Teaching schools balances at 1 September 2018		-		-
Teaching schools balances at 31 August 2019		<u>59</u>		<u>-</u>

Included within teaching schools is the Alliance for Learning SCITT which was approved for accreditation as a provider of Initial Teacher Training by the National College of Teaching and Leadership (now DFE) in May 2014 under the original name of the Greater Manchester Bright Futures SCITT. The name of the SCITT was subsequently changed in April 2017.

The Alliance for Learning SCITT offers Initial Teacher Training leading to Early Years Teacher Status for trainee teachers of the 0-5 age group, and Qualified Teacher Status for trainees of primary and secondary education.

BRIGHT FUTURES EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

27 Transfer of existing academies out of the academy trust

Connell Sixth Form

Within expenditure on charitable activities in the SOFA is an exceptional item of £9,056,724. This relates to the transfer of Connell Sixth Form out of the Bright Futures Educational Trust on 31 March 2019. This has all been allocated to the fixed asset fund, being the net book value of assets transferred out of the trust for which no consideration was received.

	2019
	£000's
Net assets transferred	
Freehold land and buildings	8,684
Computer equipment	10
Fixtures, fittings and equipment	363
LGPS	(285)
	<hr/>
Total net assets	8,772
	<hr/> <hr/>

