

Company Registration No. 07185018 (England and Wales)

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) CONTENTS

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	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditor's report on the financial statements	18 - 19
Statement of financial activities including income and expenditure account	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements including accounting policies	23 - 47

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**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	D Nightingale (Chairman and Trustee) J Goodfellow D Everitt J Wyatt The University of Kent	
<b>Trustees</b>	M Baker Moss (Staff Trustee) B Bassom (Parent Trustee) (Resigned 4 October 2017) P Clark R Ebanks W Hardman (Staff Trustee) (Resigned 4 October 2017) N Ingram D Lloyd (Appointed 14 December 2017) O Martin (Parent Trustee) (Appointed 12 March 2018) D Nightingale (Chair) N Oliver (Responsible Officer) R Patey (Parent Trustee) (Appointed 27 June 2018) L Passfield (Resigned 11 September 2017) G Randsley de Moura J Rider (Principal and Accounting Officer) R Ryan J Wyatt	
<b>Senior management team</b>		
- Executive Principal	J Rider	
- Principal	J Best	
- Principal	P Storey	
- Finance Director	K Allen	
<b>Company secretary</b>	K Allen	
<b>Company registration number</b>	07185018 (England and Wales)	
<b>Registered office</b>	Brompton Academy Marlborough Road Gillingham Kent ME7 5HT	
<b>Academies operated</b>	<b>Location</b>	<b>Principal</b>
Brompton Academy	Marlborough Road, Gillingham, Kent, ME7 5HT	Ms J Robertson
Chatham Grammar School for Girls	Rainham Road, Chatham, Kent, ME5 7EH	Ms W Walters

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
REFERENCE AND ADMINISTRATIVE DETAILS**

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**Independent auditor**

RSM UK Audit LLP  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

**Bankers**

HSBC  
231 High Street  
Chatham  
Kent  
ME4 4BQ

**Solicitors**

Stone King LLP  
16 St John's Lane  
London  
EC1M 4BS

# **THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The University of Kent Academies Trust (UKAT) operates two secondary academies in the South East. Its academies have a combined student capacity of 2,365 and a roll of 2,052 in the census completed on 4 October 2018.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the directors of the charitable company for the purposes of company law. Members of the charitable company are nominated by the Trust's sponsor, the University of Kent.

The Trust became a multi-academy trust on 1 September 2017, with Chatham Grammar School for Girls joining the Trust on this date. Subsequently the Trust changed its name from Brompton Academy Trust to The University of Kent Academies Trust on 16 January 2018.

The Trustees of UKAT are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

### **Members' liability**

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

### **Trustees' indemnities**

The Trust has opted into the Department for Education's (DfE) risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on the Trust's business, and provides cover up to £10,000,000.

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

Trustees are appointed in accordance with the Articles of Association. New Trustees are given an induction briefing and tour of the academies by the Executive Principal or Principals and the chance to meet staff, students, and the Chair of the Board, with a view to ensuring the Trustee has a good understanding of the Trust's philosophy and its day-to-day operations.

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

(Please see the Trustees' Development Induction and Visits policy).

The Board of Trustees and Executive Principal believe it is essential that all new Trustees receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that the new Trustees are given the necessary information and support to fulfil their role with confidence. This process is seen as an investment, leading to more effective governance and retention of Trustees. In addition all Trustees benefit from regular training and development.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT (CONTINUED)

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## Organisational structure

The Board of Trustees have overall responsibility for the strategic leadership and direction of the Trust's finances including the General Annual Grant, other Devolved Budgets, and individual academies' Voluntary Funds. The Trustees have adopted a finance policy which defines its approach to the management of the Trust's financial affairs and clarifies the financial roles and responsibilities of staff and Trustees. This encompasses agreeing the membership and terms of reference of the Finance and Staffing Committee and receiving and approving the minutes of Finance and Staffing Committee meetings. The Trustees also define the terms of reference of other committees, including the need to consult with the Finance and Staffing Committee on any issues which have financial implications, where these have not already been budgeted for. Formal tenders for contracted services and major purchases involving expenditure between £50,000 and £250,000 are approved by the Finance and Staffing Committee, expenditure over £250,000 is considered and reviewed by the Board of Trustees. At all times the Trustees and the officers and committee members follow guidelines as laid out in the new Academies Financial Handbook. A register of the financial interests of Trustees and staff with significant influence on financial decisions is maintained. The Executive Principal has delegated responsibilities for the day-to-day operation of financial procedures in the academies and for providing the Trustees and Finance and Staffing Committee with the guidance they need to carry out their strategic roles. The Finance Director has delegated responsibility for the day-to-day operation of the Trust's financial procedures.

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

Pay and remuneration for members of the UKAT Strategic Leadership Team (SLT), is determined by a panel of Trustees as part of the annual performance management process. The Executive Principal acts as an advisor to the panel and justification of the decision is recorded on the employee's personal file.

Pay progression is within one of three pay ranges - for Assistant Principal, UKAT Principals and Executive Principal - and within the corresponding range for those support staff who are members of UKAT SLT. Pay and remuneration for all members of the UKAT Strategic team is determined by a panel of Trustees and approved by the Chair of Trustees.

## Trade union facility time

### Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.30

### Percentage of time spent on facility time

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

### Percentage of pay bill spent on facility time

Total cost of facility time	12,048
Total pay bill	8,814,000
Percentage of the total pay bill spent on facility time	-

### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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## Related parties and co-operation with other organisations

The University of Kent is our primary sponsor and some of their staff members are on our Board of Trustees. We work on joint initiatives and projects for the benefit of the students.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT (CONTINUED)

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## **OBJECTIVES AND ACTIVITIES**

The Trust's objectives are specifically restricted to the following: to advance education and skills in the local area and across the United Kingdom for the public benefit, and in particular but without prejudice to the generality of the forgoing by establishing, maintaining, carrying on, managing and developing academies that offer a broad based curriculum, with a strong emphasis on, but in no way limited to, Science and Arts. In addition to further family and community learning, build social mobility and capital, raise the skills profile and regenerate the area.

The Lead Sponsor's vision is to establish a sense of a wide learning community, driven through the educational pursuits of the Trust's academies, where young people and community members can develop high level skills required for employability within the region, so bridging the deficit in skills which has deterred larger employers from locating into the area. The Trust will make a massive contribution to the economic development of the region by securing a highly competent and socially adept workforce allowing the relocation of large businesses and industries to the area ensuring its future success.

The vision is driven by the belief that to effect transformational change in standards for the long term, and build a sustainable Trust with community cohesion, the Trust will need to influence and shift the prevalent culture and directly impact on a range of factors which include value systems, aspirations, class, social and economic status and health inequalities. This will only be achieved by breaking traditional patterns of educational delivery through new learning pedagogies and the University sees itself as pivotal to effecting such change. It is our belief that all students and their families can benefit from exposure to that which a University has to offer.

The strength and effectiveness of the Trust's leadership and management, along with excellent teaching and high aspirations for every student, will ensure the success of the Trust, producing confident, capable and respectful young people who are fully prepared for the future.

### **Public benefit**

The Trust actively engages with other education establishments, community groups and work based providers to widen participation and experience for our students and students in other academies. Examples of this are regular meetings with other Medway secondary schools and academies, cross curricular projects with HE institutions to raise aspirations.

The Trust has an extensive Community learning programme bringing in over 1,000 adult learners and through its specialisms delivers learning programmes to primary school students.

Sports Clubs utilise the facilities at the academies within the Trust to participate in a range of sports. The Trust promotes sports in the community through full membership of the local Sports Partnership and through its own Community Sports Programme. A member of staff spends one day per week in outreach work. The Trust is active in promoting citizenship on a local, national and international level. Children are engaged in charity fundraising for many charities.

The Trustees have also had due regard to the guidance on public benefit, as published by the Charity Commission.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT (CONTINUED)

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## STRATEGIC REPORT

### Achievements and performance

#### Brompton Academy

In 2018, 44% of students achieved a Grade 4 or above in both English and Maths, which was in line with the previous year. Brompton Academy's Progress 8 score remained the same at approximately -0.1, which is considered to be broadly average. Both English and Science improved in 2018, but Maths dipped slightly, mainly due to underachievement of some of the Higher Prior Attaining students. A high proportion of students are from disadvantaged backgrounds and the gap between disadvantaged students and others remained the same as in 2017. This is a continued area of focus in 2018/19, together with Higher Prior Attainers.

In the Sixth Form, students made expected progress in A Levels taking into account their GCSE starting points and this needs to improve.

An enhanced focus on improving attendance from the local authority is having a marked impact on persistent absenteeism.

Although staff recruitment and retention issues are difficult, as they are nationally, the quality of teaching remains good overall.

Brompton Academy achieved a 'good' rating from Ofsted in March 2017.

#### Chatham Grammar School for Girls

In 2018, 99% of students achieved a Grade 4 or above in both English and Maths GCSEs, which was in line with the previous year. However, the proportion of students achieving Grade 5 or above in English and Maths improved from 85% in 2017 to 91%. Also the proportion of students achieving five or more Grade 7s at GCSE increased from 15% in 2017 to 36%.

Progress 8 for Chatham Grammar School for Girls significantly improved from 0.0 in 2017 to approximately +0.6 in 2018. This score is considered to be well above average and already takes into account students' higher Key Stage 2 starting points. Both English and Science improved in 2018 and although Maths results remained strong, they declined slightly, mainly due to underachievement of a few of the Higher Prior Attaining students. The gap between disadvantaged students and others closed significantly overall in 2018 and this remains a continued area of focus in 2018/19, together with Higher Prior Attainers.

In the Sixth Form, students made broadly expected progress in A Levels taking into account their GCSE starting points and this requires further improvement.

Attendance and attitudes of students are a significant strength.

The quality of teaching improved considerably in 2018 and is now considered to be good.

Chatham Grammar School for Girls achieved a 'good' rating from Ofsted in June 2018.

#### Financial review

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the year ended 31 August 2018, total expenditure of £12,636,000 (2017: £8,878,000) was covered by recurrent grant funding from the DfE and other incoming resources. The excess of income over expenditure for the year was £10,886,000 (2017: £281,000, excess of expenditure over income). This includes actuarial gains of £1,679,000 (2017: £705,000) for the year on the defined benefit Local Government Pension Scheme and the transfer of land and buildings and other assets of £10,568,000 in of Chatham Grammar School for Girls.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT (CONTINUED)

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The Restricted Fund – General Annual Grant is in deficit £171,000 (2017: surplus £77,000) due to the transfer of Chatham Grammar School for Girls into the Trust. A comprehensive deficit reduction plan is in place which includes; ensuring an efficient staffing model through Curriculum Led Planning, review of all contracts and expenditure, and employing a marketing strategy with the aim to increase student numbers.

At 31 August 2018 the net book value of fixed assets was £34,346,000 (2017: £22,829,000). Movements in intangible fixed assets are shown in note 13 with tangible fixed assets shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students.

When Chatham Grammar School for Girls transferred to the Trust on 1 September 2017, UKAT entered a transfer agreement to transfer the entire operation, assets and liabilities of Chatham Grammar School for Girls to UKAT. The financial impact of this was a transfer of £12,484,565 of fixed assets, £1,576,000 pension deficit, £347,685 deficit of Restricted Funds – General Annual Grant and £7,296 of Restricted Funds – Other. See note 27 for further information.

## Reserves policy

The policy of the Trustees is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. The Trustees are satisfied that the Trust's reserves are sufficient for its current purposes. The reserves as at 31 August 2018 amounted to a surplus of £28,991,000 (2017: £18,105,000). This includes a deficit on the restricted general funds of £171,000 (2017: £123,000, surplus). There is a pension fund deficit of £5,239,000 (2017: £4,847,000). Please see the Statement of Financial Activities on page 7 for more detail.

## Investment policy

The Trustees' policy is to invest surplus funds in low risk short term bank deposits.

## Key performance indicators

The Trustees monitor and review the following Key Performance Indicators for the Trust:

- Ofsted inspection outcomes
- Student outcomes and progress (discussed above)
- Student numbers
- Student attendance as a percentage
- Spend on staff costs as a percentage of funding from Education and Skills Funding Agency (ESFA)/DfE
- Spend on staff costs as a percentage of total funding
- Staff turnover

Ofsted inspection outcomes	
Brompton Academy	Good (February 2017)
Chatham Grammar School for Girls	Good (May 2018)
Student numbers/capacity	1996/2365
Student attendance as a percentage	
Brompton Academy	95%
Chatham Grammar School for Girls	96.4%
Spend on staff costs as a percentage of funding from ESFA/DfE	86%
Spend on staff costs as a percentage of total funding	83%
Staff turnover	23.21%

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT (CONTINUED)

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## Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The overall accounts show total funds of £28,991,000 to date.

The Trust became a multi-academy trust on 1 September 2017 and Chatham Grammar School for Girls joined the Trust on this date. The Trustees undertook a thorough due diligence process. Chatham Grammar School for Girls transferred to the Trust with a substantial inherited deficit. A deficit reduction plan, approved by the ESFA, is in place but has been severely compromised by poor student recruitment at Chatham Grammar School for Girls. A marketing strategy has been implemented to address this issue. Negotiations are underway with the ESFA to reach a solution.

However, there is still a deficit in the Local Government Pension Scheme which amounts to £5,239,000. This does not mean that an immediate liability for this amount crystallises. The Trust is confident that it can meet contributions from projected future income without significant impact on its planned levels of charitable activity during the next 12 months. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## **Plans for future periods**

The Trust remains committed to its vision as outlined in the original Expression of Interest and as such has clear priorities for the future:

- Developing and embedding changes to the public exam system – ensuring students are prepared for the linear nature of exams and staff are trained to deliver new schemes of work in the new GCSEs and Sixth Form courses.
- Develop a new University of Kent Academies Trust Sixth Form provision joining together the Brompton Academy and Chatham Grammar School for Girls current Sixth Forms, attracting external candidates, and directly linked to the new UKAT Medical School Hub to be established in Medway.
- To explore bringing more schools into the Trust, or merge with other trusts, to achieve economies of scale in backroom functions and raise standards further.
- To continue with our University sponsor to develop level three and degree learning pathways for our parents/carers through affordable and flexible community learning programmes;
- To continue to support the healthy development of our citizens by developing a sports strategy across the Trust and local community, developing sports and leisure programmes utilising all our new facilities and the undergraduate sport science ambassadors as coaches;
- To maximise income through a marketing strategy for the use of the Trust's buildings;
- To explore and establish a new academy build and facilities for Chatham Grammar School for Girls.

## **Principal risks and uncertainties**

A Risk Register is maintained and reviewed annually. Serious risks identified are reviewed more regularly by the Finance and Staffing Committee. The main risks that the Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

- **Strategic and Reputational**

This covers main categories of risk including profile, strategic and organisation. Sub-categories of risk included are failure to ensure that objectives of the Trust are met, unfavourable Ofsted report, fraud, long term demand on Trust services, natural disaster covering an uncontrollable event occurring, technology and information security, local authority SEN policy changes, resources pressure with additional students and failure to generate income for future proofing the IT across the Trust. Others areas include delegation authorities appropriate for the Trust and new initiatives detracting management from core business objectives. Risks are mitigated through regular policy and procedural reviews. The Trust has invested in marketing and community engagement. Other risks are mitigated through external compliance reviews and long-term budget planning.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) TRUSTEES' REPORT (CONTINUED)

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- **Operational Risk**

This covers main categories of risk including management information and human resources. Items under this category include the following possibilities:

Quality of information produced for Trustees is not accurate, leadership and management issues leading to inexperienced Trustees and strategic gaps within key personnel in the Trust, inability to recruit suitably qualified and experienced staff due to national recruitment shortages. Risks are mitigated through regular reviews of management information by Trustees, completion of skills audits by Trustees, continual training and succession planning, implementation of a recruitment strategy including financial incentives for new staff in shortage subjects alongside relationships with recruiters and supply agencies. The Trust has created an innovative Teacher Training Programme to recruit and retain staff in shortage areas.

- **Compliance Risk**

This covers main categories of risk including noncompliance of legislative requirements regarding employment law and Health and Safety. Noncompliance with financial legislation of the ESFA and Charities Act, welfare and child protection legislation, local authority and central government grant, data protection and General Data Protection Regulation. Risks are mitigated through investment in training and employing suitably qualified staff with set responsibilities covering legislations. Policies and procedures are regularly reviewed, internal compliance is checked periodically and additional external expert advice is sought when required. All DfE deadlines are met and up to date manuals are followed.

- **Financial Risk**

The financial risks associated with the Trust include the risk of the Trust not operating within its budget and running a deficit, (this could be due to changes in funding that are not reacted to in a timely manner), deficits on the local government pension scheme, inappropriate or insufficient financial controls and systems, fraudulent activity within the Trust and or financial commitments made without adequate authorisation. Further financial risks are not identifying related party transactions and restricted income being used for purposes other than restriction. Risks are mitigated through medium to long term financial projections with regular management accounts produced, commissioning of independent audits, investment in accountancy systems and policy review to ensure adequate controls in place and regular Trustee meetings.

- **Academy Specific Risk**

The Trust also monitors risks that are specific to individual academies within the Trust. These risks are mitigated through a rigorous process of planning and prioritisation. Plans are drawn together in the UKAT individual Academy Improvement Plans, which are approved and monitored by the Board of Trustees.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
TRUSTEES' REPORT (CONTINUED)**

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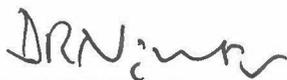
**AUDITOR**

RSM UK Audit LLP has indicated its willingness to continue in office.

**Statement as to disclosure of information to auditor**

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as directors at its meeting on 5 December 2018 and signed on its behalf by:



.....  
D Nightingale

**Chair**

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) GOVERNANCE STATEMENT

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## Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Judy Rider, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the master and supplementary funding agreements between The University of Kent Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

## Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met four times during the year. Attendance during the year at meetings of the Trustees was as follows:

Trustees	Meetings attended	Out of possible
M Baker Moss (Staff Trustee)	3	4
B Bassom (Parent Trustee) (Resigned 4 October 2017)	0	1
P Clark	3	4
R Ebanks	4	4
W Hardman (Staff Trustee) (Resigned 4 October 2017)	0	1
N Ingram	4	4
D Lloyd (Appointed 14 December 2017)	3	3
O Martin (Parent Trustee) (Appointed 12 March 2018)	2	2
D Nightingale (Chair)	4	4
N Oliver (Responsible Officer)	4	4
R Patey (Parent Trustee) (Appointed 27 June 2018)	1	1
L Passfield (Resigned 11 September 2017)	2	4
G Randsley de Moura	1	4
J Rider (Principal and Accounting Officer)	4	4
R Ryan	1	4
J Wyatt	2	4

## Governance reviews

The composition of the Board of Trustees was reviewed in September 2017 as part of the transition from standalone academy trust to multi-academy trust. The Articles of Association set out the number of Trustees appointed by the University of Kent, Staff and Parent Trustees.

With the multi-academy trust now established, the Board of Trustees intend to undertake a governance review in 2019.

The Board of Trustees receive detailed reports from the Executive Principal and members of the Strategic Leadership to consider and evaluate.

Management information is provided by the Finance Director, HR Manager and other staff members for the committee's consideration and evaluation. This is supported by external advice or validation when appropriate.

The Finance and Staffing Committee is a sub-committee of the main Governing Body. Its purpose is to consider and approve matters relating to financial and staffing issues.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
GOVERNANCE STATEMENT (CONTINUED)**

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**Finance and Staffing**

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
P Clark	4	5
N Ingram	5	5
D Nightingale (Chair)	5	5
J Rider (Principal and Accounting Officer)	5	5

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) GOVERNANCE STATEMENT (CONTINUED)

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## Review of value for money

As Accounting Officer, the Executive Principal, has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that the value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust uses its resources and 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 Trust has delivered improved value for money during the year by:

- **Improving educational results**

The complete change in the exam system nationally makes year on exam data comparability impossible. Academic progress levels at Brompton Academy showed to be in the middle of schools nationally for student progress at both GCSE and A level and exceeding the government's floor target for schools. Results in the subjects outside of the English Baccalaureate subjects showed significant achievement above other students nationally.

The percentage of students achieving grades 9 to 4 (old A\*-Cs) in English and Maths remained at 43%.

Full details are available on the Brompton Academy's website:

[www.bromptonacademy.org.uk](http://www.bromptonacademy.org.uk).

At Chatham Grammar School for Girls the progress levels improved and exceeded the Medway average for grammar schools.

UKAT academies benefit from extensive quality assurance systems to monitor, track and improve standards in both schools. Reporting to parents/carers is completed three times a year. Data is collected following robust assessments in all subjects twice a year. This data is collated, analysed and disseminated to enable all leaders, teachers and support staff to identify underperformance and address issues accordingly.

Trustees, together with the Strategic Leadership team, continually self-evaluate using a range of data, and revise the UKAT Academies Improvement Plans accordingly to ensure it is dynamic and relevant - ensuring the Academies are focused on key priorities to further the Trust's aims.

The new strategic leadership team structure working across the two UKAT academies has improved teaching and learning and student outcomes.

The academies actively engage with other education establishments and work based providers to widen participation and experience for our students and students in other academies. Examples of this are regular meetings with other Medway secondary schools and academies. UKAT academies also participate in informal arrangements with other local schools to positively manage student behaviour and have reciprocal arrangements with Strood Academy and other local schools to educate excluded students.

The last Ofsted report of February 2017 rated Brompton Academy as 'Good' in all Inspection Judgements. Full details are available from the Academy website as above.

The last Ofsted report of May 2018 rated Chatham Grammar School for Girls as good in all inspection judgements bar the old Sixth Form provision which was rated as requiring improvement. This Sixth Form has now been replaced by the new UKAT Sixth Form which opened in September 2018.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) GOVERNANCE STATEMENT (CONTINUED)

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- **Financial governance and oversight**

The Trust has an internal audit service provided by RSM UK Risk Assurance Services LLP. The service reviews the financial systems and procedures that are in place and reports to the Board of Trustees.

The Finance and Staffing Committee receive termly financial reports.

The Board of Trustees approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust's academies remain 'going concerns'. The Board of Trustees also receives and approves the Annual Accounts and the External Auditors Management Report.

The Finance and Staffing Committee has carefully monitored the budget and taken action to address the inherited deficit held by Chatham Grammar School for Girls.

- **Better purchasing – ensuring value for money**

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money.

The Trust manages procurement on large service contracts centrally i.e. catering, internet providers, IT Procurement, to maximise the collective spending power of the UKAT academies.

The Trust always gets three quotes where possible. In exceptional circumstances when it is not possible to get three the reason is recorded.

The Trust always assesses the cost and benefits of various options before making a decision to ensure the right option for the longer term.

- **Maximising income generation**

The Trust explores every opportunity to generate income through hire of the academies facilities and running a variety of courses available to the local community.

Brompton Academy has an extensive Community learning programme bringing in over 1,000 adult learners and through its specialisms delivers learning programmes to primary school students. The programme is embryonic at Chatham Grammar School for Girls.

Sports Clubs utilise the facilities at Brompton Academy to participate in a range of sports. Brompton Academy promotes sports in the community through full membership of the local Sports Partnership and through its own Community Sports Programme. A member of staff spends one day per week in outreach work. The Trust is active in promoting citizenship on a local, national and international level. Children are engaged in charity fundraising for many charities.

The Trust is proactive in sourcing and securing additional grant funding for specific projects which benefit our students and the wider community. Examples from this year include £9,155 EMI Grant to develop music provision and £13,500 Cadet Bursary Grant to establish a Combined Cadet Force at Chatham Grammar School for Girls.

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

The system of internal control is designed to follow good practice and self-assessment, and to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The University of Kent Academies Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) GOVERNANCE STATEMENT (CONTINUED)

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## Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

## The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Neil Oliver, a Trustee, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Responsible Officer testing has been carried out by RSM UK Risk Assurance Services LLP in accordance with the ESFA's requirements.

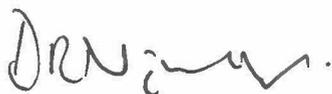
## Review of effectiveness

As Accounting Officer, Judy Rider 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 Board of Trustees on 5 December 2018 and signed on its behalf by:



D Nightingale  
Chair



J Rider  
Principal and Accounting Officer

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The University of Kent Academies Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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.



J Rider  
**Accounting Officer**

5 December 2018

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees (who are also the directors of The University of Kent Academies Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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 that 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 5 December 2018 and signed on its behalf by:



D Nightingale  
Chair

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF KENT ACADEMIES TRUST

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## Opinion

We have audited the financial statements of The University of Kent Academies Trust (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF KENT ACADEMIES TRUST (CONTINUED)

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

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

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

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

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*  
Dominic Blythe (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG  
.....07/12/18.....

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

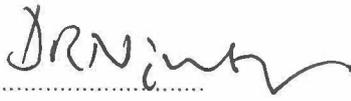
	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	34	31	65	28
Donations - Transfer of existing academy into the Trust	27	-	(1,917)	12,485	10,568	-
Charitable activities:						
- Funding for educational operations	4	262	11,364	-	11,626	8,190
Other trading activities	5	79	-	-	79	81
<b>Total</b>		<u>341</u>	<u>9,481</u>	<u>12,516</u>	<u>22,338</u>	<u>8,299</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	301	11,724	1,106	13,131	9,285
<b>Total</b>	<b>6</b>	<u>301</u>	<u>11,724</u>	<u>1,106</u>	<u>13,131</u>	<u>9,285</u>
<b>Net income/(expenditure)</b>		40	(2,243)	11,410	9,207	(986)
Transfers between funds	19	-	(122)	122	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	24	-	1,679	-	1,679	705
<b>Net movement in funds</b>		40	(686)	11,532	10,886	(281)
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(4,724)	22,829	18,105	18,386
Total funds carried forward		<u>40</u>	<u>(5,410)</u>	<u>34,361</u>	<u>28,991</u>	<u>18,105</u>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
BALANCE SHEET**

**AS AT 31 AUGUST 2018**

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	13		5		3
Tangible assets	14		34,341		22,826
			<u>34,346</u>		<u>22,829</u>
<b>Current assets</b>					
Debtors	15	461		478	
Cash at bank and in hand		421		293	
		<u>882</u>		<u>771</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(817)		(648)	
<b>Net current assets</b>			<u>65</u>		<u>123</u>
<b>Total assets less current liabilities</b>			<u>34,411</u>		<u>22,952</u>
Creditors: amounts falling due after more than one year	17		(181)		-
<b>Net assets excluding pension liability</b>			<u>34,230</u>		<u>22,952</u>
Defined benefit pension scheme liability	24		(5,239)		(4,847)
<b>Net assets</b>			<u>28,991</u>		<u>18,105</u>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>	19				
- Restricted fixed asset funds			34,361		22,829
- Restricted income funds			(171)		123
- Pension reserve			(5,239)		(4,847)
<b>Total restricted funds</b>			<u>28,951</u>		<u>18,105</u>
<b>Unrestricted income funds</b>	19		<u>40</u>		<u>-</u>
<b>Total funds</b>			<u>28,991</u>		<u>18,105</u>

The financial statements on pages 20 to 47 were approved by the Board of Trustees and authorised for issue on 5 December 2018 and are signed on their behalf by:

  
 .....  
 D Nightingale  
 Chair

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018 £'000	£'000	2017 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	22		235		174
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		31		25	
Purchase of intangible fixed assets		(5)		(5)	
Purchase of tangible fixed assets		(133)		(67)	
<b>Net cash used in investing activities</b>			<b>(107)</b>		<b>(47)</b>
<b>Net increase in cash and cash equivalents in the reporting period</b>			<b>128</b>		<b>127</b>
Cash and cash equivalents at beginning of the year			293		166
<b>Cash and cash equivalents at end of the year</b>			<b>421</b>		<b>293</b>

# THE UNIVERSITY OF KENT ACADEMIES TRUST (FORMERLY BROMPTON ACADEMY) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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## 1 Accounting policies

### General information

The University of Kent Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

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 Trust 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 financial statements 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1,000.

### Income

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

### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 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.

### Going concern

The Trustees assess whether the use of going concern is appropriate, ie 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 financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### 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.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 Accounting policies (Continued)**

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Trust has provided the goods or services.

Donated fixed assets

Where the donated good is a fixed asset it is 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 Trust's accounting policies.

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

**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.

Charitable activities

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Governance costs

These are the costs of governance arrangements relating to the general running of the Trust. These costs are included within the Trust's charitable activities and apportioned amongst each activity on a reasonable basis.

Short term employee benefits

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1 Accounting policies (Continued)**

**Intangible fixed assets and amortisation**

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	3 years straight line
-----------------------------	-----------------------

**Tangible fixed assets and depreciation**

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 so as to write off the cost of assets less their residual values over their useful lives on the following bases:

**Land and buildings:**

Freehold land	Not depreciated
Freehold buildings	Between 3 and 20 years
Leasehold land	Over the life of the lease
Leasehold buildings	2% pa straight line

Leasehold Improvements	2% pa straight line
Computer equipment	33% pa straight line
Fixtures, fittings and equipment	25% pa straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

**Liabilities**

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

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1 Accounting policies (Continued)**

**Leased assets**

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

**Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Taxation**

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

**Pensions benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but 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 are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 Accounting policies (Continued)**

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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 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 Education and Skills Funding Agency/Department for Education.

**Agency Arrangements**

The Trust acts as an agent in the administering of 16-19 Bursary Funds from the Education and Skills Funding Agency. Related payments received from the Educating and Skills Funding Agency and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Trust does not have a beneficial interest in the individual transactions. An allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the Educating and Skills Funding Agency.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**3 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	31	31	25
Other donations	-	34	34	3
	<u>-</u>	<u>65</u>	<u>65</u>	<u>28</u>

The income from donations and capital grants was £65,000 (2017: £28,000) of which £34,000 was restricted (2017: £3,000) and £31,000 was restricted fixed assets (2017: £25,000).

**4 Funding for the Trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	10,390	10,390	7,261
Start up grants	-	21	21	11
Other DfE group grants	-	646	646	496
	<u>-</u>	<u>11,057</u>	<u>11,057</u>	<u>7,768</u>
<b>Other government grants</b>				
Special educational projects	-	150	150	159
	<u>-</u>	<u>150</u>	<u>150</u>	<u>159</u>
Other incoming resources	262	157	419	263
	<u>262</u>	<u>11,364</u>	<u>11,626</u>	<u>8,190</u>

The income from funding for educational operations was £11,626,000 (2017: £8,190,000) of which £262,000 was unrestricted (2017: £221,000) and £11,364,000 was restricted (2017: £7,969,000).

**5 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	79	-	79	81
	<u>79</u>	<u>-</u>	<u>79</u>	<u>81</u>

The income from other trading activities was £79,000 (2017: £81,000) of which £79,000 was unrestricted (2017: £81,000).

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6 Expenditure**

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Trust's educational operations					
- Direct costs	7,530	-	659	8,189	5,659
- Allocated support costs	2,246	1,785	911	4,942	3,626
	<u>9,776</u>	<u>1,785</u>	<u>1,570</u>	<u>13,131</u>	<u>9,285</u>

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

	2018 £'000	2017 £'000
Operating lease rentals	84	76
Depreciation of tangible fixed assets	1,103	914
Amortisation of intangible fixed assets	3	2
Net interest on defined benefit pension liability	161	111
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	20	15
- Other services	4	3
- Audit related assurance services	2	2
- Internal audit services	1	1
	<u>20</u>	<u>15</u>

**7 Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Direct costs</b>				
Educational operations	130	8,059	8,189	5,659
<b>Support costs</b>				
Educational operations	171	4,771	4,942	3,626
	<u>301</u>	<u>12,830</u>	<u>13,131</u>	<u>9,285</u>

The expenditure on charitable activities was £13,131,000 (2017: £9,285,000) of which £301,000 was unrestricted (2017: £207,000), £11,724,000 was restricted (2017: £8,162,000) and £1,106,000 was restricted fixed assets (2017: £916,000).

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**7 Charitable activities (Continued)**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of support costs</b>		
Support staff costs	2,246	1,637
Depreciation and amortisation	1,106	916
Technology costs	210	109
Premises costs	679	374
Other support costs	661	522
Governance costs	40	68
	<u>4,942</u>	<u>3,626</u>

**8 Governance costs**

	<b>Total</b>	<b>Total</b>
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal and professional fees	13	50
Auditor's remuneration		
- Audit of financial statements	20	15
- Other audit costs	7	3
	<u>40</u>	<u>68</u>

**9 Staff**

**Staff costs**

Staff costs during the year were:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	7,011	4,939
Social security costs	685	485
Pension costs	1,452	1,096
	<u>9,148</u>	<u>6,520</u>
Staff costs	9,148	6,520
Agency staff costs	393	259
Staff restructuring costs	100	-
Staff development and other staff costs	135	66
	<u>9,776</u>	<u>6,845</u>

Staff restructuring costs comprise:

Redundancy payments	<u>100</u>	<u>-</u>
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**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9 Staff (Continued)**

**Staff numbers**

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

	<b>2018 Number</b>	<b>2017 Number</b>
Teachers	124	79
Administration and support	100	70
Management	18	13
	<u>242</u>	<u>162</u>

**Higher paid staff**

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

	<b>2018 Number</b>	<b>2017 Number</b>
£60,001 - £70,000	4	4
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£120,001 - £130,000	-	1
	<u>8</u>	<u>7</u>

**Key management personnel**

The key management personnel of the Trust comprise the Trustees and the Strategic Leadership 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 Trust was £390,062 (2017: £1,120,987). As a result of the conversion to multi-academy trust status those considered key management personnel changed during the year to 31 August 2018.

**10 Central services**

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

- Executive Principal time and support
- Principal of Teaching and Learning time and support
- Principal of Data and Quality Assurance time and support
- Finance Director time and support
- Centralised Finance support
- HR services and policy development
- Legal advice and services
- Finance and budgeting system and licence costs
- Payroll administration charges

UKAT central services are funded by a 5% contribution from each school's General Annual Grant. Any additional costs incurred above the 5% contribution in 2017-18 have been allocated to Brompton Academy, as agreed by Trustees to support Chatham Grammar School for Girls with their deficit recovery plan.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10 Central services (Continued)**

The amounts charged during the year were as follows:	<b>2018 £'000</b>
Brompton Academy	425
Chatham Grammar School for Girls	163
	<hr/>
	588
	<hr/> <hr/>

**11 Trustees' remuneration and expenses**

The Principal and 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. Other Trustees did not receive any payments from the Trust in respect of their role as Governors. The value of the Trustees' remuneration and other benefits are as follows:

J Rider (Principal and Trustee)  
Remuneration £85,595 (2017: £118,723)  
Employer's pension contribution £5,996 (2017: £19,566)

M Baker Moss (Staff Trustee)  
Remuneration £18,436 (2017: £17,023)  
Employer's pension contributions £3,687 (2017: £3,415)

W Hardman (Staff Trustee resigned 4 October 2017)  
Remuneration £3,103 (2017: £32,999)  
Employer's pension contributions £Nil (2017: £Nil)

During the year ended 31 August 2018, travel and subsistence expenses totalling £1,436 (2017: £1,476) were reimbursed to three Trustees (2017: Two). Related party transactions involving the Trustee are set out in note 25.

**12 Trustees and officers insurance**

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13 Intangible fixed assets**

	<b>Computer software £'000</b>
<b>Cost</b>	
At 1 September 2017	5
Additions	5
	<hr/>
At 31 August 2018	10
	<hr/>
<b>Amortisation</b>	
At 1 September 2017	2
Charge for year	3
	<hr/>
At 31 August 2018	5
	<hr/>
<b>Carrying amount</b>	
At 31 August 2018	5
	<hr/> <hr/>
At 31 August 2017	3
	<hr/> <hr/>

**14 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Leasehold improvements</b>	<b>Computer equipment</b>	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>					
At 1 September 2017	24,369	312	1,914	1,509	28,104
Transfers	12,475	-	-	10	12,485
Additions	-	4	105	24	133
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	36,844	316	2,019	1,543	40,722
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 September 2017	1,896	20	1,878	1,484	5,278
Charge for the year	1,011	6	57	29	1,103
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	2,907	26	1,935	1,513	6,381
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 August 2018	33,937	290	84	30	34,341
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2017	22,473	292	36	25	22,826
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**14 Tangible fixed assets (Continued)**

The net book value of land and buildings comprises:

	2018 £'000	2017 £'000
Freeholds	11,940	-
Long leaseholds (over 50 years)	21,997	22,473
	<u>33,937</u>	<u>22,473</u>

Transactions gifted relating to the transfer in of Chatham Grammar School for Girls:

- the gift of the freehold at Rainham Road, Chatham ME5 7EH, which was donated to the Trust at a fair value of £12,475,000.
- the gift of the fixtures and fittings on transfer of Chatham Grammar School for Girls.

**15 Debtors**

	2018 £'000	2017 £'000
Trade debtors	13	85
VAT recoverable	93	54
Other debtors	165	136
Prepayments and accrued income	190	203
	<u>461</u>	<u>478</u>

**16 Creditors: amounts falling due within one year**

	2018 £'000	2017 £'000
Trade creditors	293	159
Other taxation and social security	168	125
ESFA creditors - abatement of GAG	-	120
Other creditors	169	112
Accruals and deferred income (see note 18)	187	132
	<u>817</u>	<u>648</u>

**17 Creditors: amounts falling due after more than one year**

	2018 £'000	2017 £'000
Government loans	181	-

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

<b>17 Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017 (Continued)</b>
<b>Analysis of loans</b>		
Wholly repayable within five years	181	-
Less: included in current liabilities	-	-
	<u>181</u>	<u>-</u>
Amounts included above	<u>181</u>	<u>-</u>
<b>Loan maturity</b>		
Due in more than two years but not more than five years	181	-
	<u>181</u>	<u>-</u>

The loan of £180,775 is from the Education and Skills Funding agency. This advance payment of GAG was provided to Chatham Grammar School for Girls on an interest free basis and repayable as follows:

- £20,000 in August 2021;
- £13,398 monthly from September 2021 with a final payment of £13,397 in August 2022.

<b>18 Deferred income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	107	75
	<u>107</u>	<u>75</u>
Deferred income at 1 September 2017	75	67
Released from previous years	(75)	(67)
Resources deferred in the year	107	75
	<u>107</u>	<u>75</u>
<b>Deferred income at 31 August 2018</b>	<u>107</u>	<u>75</u>

Deferred income comprises:

- £23,790 (2017: £14,503) in relation to Devolved Capital Funding relating to the period to March 2019, received in July 2018;
- £59,699 (2017: £46,430) in relation to rates relief relating to the period ended March 2019, received in June 2018;
- £23,465 (2017: £14,421) in relation to trips fees received in advance.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19 Funds**

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	77	10,042	(10,168)	(122)	(171)
Start up grants	-	21	(21)	-	-
Other DfE / ESFA grants	42	653	(695)	-	-
Other government grants	-	150	(150)	-	-
Other restricted funds	4	191	(195)	-	-
Pension reserve	(4,847)	(1,576)	(495)	1,679	(5,239)
	<u>(4,724)</u>	<u>9,481</u>	<u>(11,724)</u>	<u>1,557</u>	<u>(5,410)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	22,748	12,485	(1,014)	-	34,219
DfE group capital grants	29	31	(23)	-	37
Capital expenditure from GAG	40	-	(66)	122	96
Private sector capital sponsorship	12	-	(3)	-	9
	<u>22,829</u>	<u>12,516</u>	<u>(1,106)</u>	<u>122</u>	<u>34,361</u>
<b>Total restricted funds</b>	<u>18,105</u>	<u>21,997</u>	<u>(12,830)</u>	<u>1,679</u>	<u>28,951</u>
<b>Unrestricted funds</b>					
General funds	-	341	(301)	-	40
<b>Total funds</b>	<u>18,105</u>	<u>22,338</u>	<u>(13,131)</u>	<u>1,679</u>	<u>28,991</u>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**19 Funds (Continued)**

- General Annual Grant must be used for the normal running costs of the Academy Trust. The Academy Trust is allowed to carry forward unspent GAG funds without limit.
- Start up Grant A must be used to meet the expenditure of providing basic stocks of teaching and learning materials. The Start up Grant B (Formulaic) is intended to cover diseconomies of scale (in terms of student numbers) and costs associated with the recruitment and introduction of additional staff. Start up Grant B (Assessment) is bid for and therefore can be used for such items that the DfE deems necessary.
- The Pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.
- The Other Government grants fund has been set up to recognise the income received from Medway Council as a contribution towards the cost of the Trust's revenue expenditure.
- The Other DfE/ESFA fund has been created to recognise the restricted grant funding received from the DfE/ESFA which falls outside the scope of core funding.
- The Other restricted fund was created to recognise restricted grants and other income, including donations that are not received from any government bodies.
- A total of £122,000 was transferred into the Restricted fixed asset fund. This comprised capital expenditure purchased from the General Annual Grant.
- The DfE capital grant of £31,000 is for capital expenditure, major repairs and replacements and installation costs associated with these. At the year end £15,000 remains unspent and will be used during the financial year to 31 August 2019.

Restricted fixed asset funds:

- The inherited funds represents donated fixed assets received by the Trust on conversion.
- The DfE/ESFA capital grants fund represents fixed assets purchased from grants provided by the DfE/ESFA.
- The capital expenditure from GAG fund relates to the purchase of fixed assets which are funded from the restricted GAG fund.
- The private sector capital sponsorship fund represents fixed assets purchased from donations received.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19 Funds (Continued)**

**Funds prior year**

	<b>Balance at 1 September 2016 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Balance at 31 August 2017 £'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(152)	7,261	(7,080)	48	77
Start up grants	-	11	(11)	-	-
Other DfE / ESFA grants	-	496	(454)	-	42
Other government grants	-	159	(159)	-	-
Other restricted funds	10	45	(51)	-	4
Pension reserve	(5,145)	-	(407)	705	(4,847)
	<u>(5,287)</u>	<u>7,972</u>	<u>(8,162)</u>	<u>753</u>	<u>(4,724)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	23,484	-	(736)	-	22,748
DfE group capital grants	73	25	(69)	-	29
Capital expenditure from GAG	101	-	(108)	47	40
Private sector capital sponsorship	15	-	(3)	-	12
	<u>23,673</u>	<u>25</u>	<u>(916)</u>	<u>47</u>	<u>22,829</u>
<b>Total restricted funds</b>	<u>18,386</u>	<u>7,997</u>	<u>(9,078)</u>	<u>800</u>	<u>18,105</u>
<b>Unrestricted funds</b>					
General funds	-	302	(207)	(95)	-
<b>Total funds</b>	<u>18,386</u>	<u>8,299</u>	<u>(9,285)</u>	<u>705</u>	<u>18,105</u>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**19 Funds (Continued)**

**Total funds analysis by academy**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Fund balances at 31 August 2018 were allocated as follows:		
Brompton Academy	294	123
Chatham Grammar School for Girls	(425)	-
	<u>          </u>	<u>          </u>
Total before fixed assets fund and pension reserve	(131)	123
Restricted fixed asset fund	34,361	22,829
Pension reserve	(5,239)	(4,847)
	<u>          </u>	<u>          </u>
Total funds	<u>28,991</u>	<u>18,105</u>

**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
	£'000	£'000	£'000	£'000	£'000
Brompton Academy	3,937	2,199	154	2,886	9,176
Chatham Grammar School for Girls	1,956	699	35	696	3,386
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	5,893	2,898	189	3,582	12,562
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**20 Analysis of net assets between funds**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Intangible fixed assets	-	-	5	5
Tangible fixed assets	-	-	34,341	34,341
Current assets	867	-	15	882
Creditors falling due within one year	(646)	(171)	-	(817)
Creditors falling due after one year	(181)	-	-	(181)
Defined benefit pension liability	-	(5,239)	-	(5,239)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total net assets</b>	<u>40</u>	<u>(5,410)</u>	<u>34,361</u>	<u>28,991</u>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**20 Analysis of net assets between funds (Continued)**

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	22,826	22,826
Current assets	-	771	-	771
Creditors falling due within one year	-	(648)	-	(648)
Defined benefit pension liability	-	(4,847)	-	(4,847)
<b>Total net assets</b>	<u>-</u>	<u>(4,724)</u>	<u>22,829</u>	<u>18,105</u>

**21 Commitments under operating leases**

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	82	77
Amounts due between one and five years	6	83
	<u>88</u>	<u>160</u>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

<b>22 Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	9,207	(986)
<b>Adjusted for:</b>		
Transfer of existing academy into the trust (less cash acquired)	(10,471)	-
Capital grants from DfE/ESFA and other capital income	(31)	(25)
Defined benefit pension scheme cost less contributions payable	334	296
Defined benefit pension scheme finance cost	161	111
Depreciation of tangible fixed assets	1,103	914
Amortisation of intangible fixed assets	3	2
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	17	(32)
Increase/(decrease) in creditors	169	(106)
Stocks, debtors and creditors transferred on conversion	(257)	-
<b>Net cash provided by operating activities</b>	<b>235</b>	<b>174</b>

**23 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 £10 for the debts and liabilities contracted before he or she ceases to be a member.

**24 Pension and similar obligations**

The 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 Local Government Pension Scheme 2007/2008. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £102,902 (2017: £102,709) were payable to the schemes at 31 August 2018 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**24 Pension and similar obligations (Continued)**

**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 in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (previously 14.1%))
- 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 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £754,155 (2017: £529,861).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20% for employers and % for employees.

The LGPS obligation relates to the employees of the Trust who were employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**24 Pension and similar obligations (Continued)**

<b>Total contributions made</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Employer's contributions	375	267
Employees' contributions	114	88
<b>Total contributions</b>	<b>489</b>	<b>355</b>

**Principal actuarial assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	<b>2018 %</b>	<b>2017 %</b>
Rate of increase in salaries	3.8	4.2
Rate of increase for pensions in payment/inflation	2.3	2.7
Discount rate for scheme liabilities	2.65	2.6
Inflation assumption (CPI)	2.3	2.7

The assumed life expectations on retirement age 65 are:

	<b>2018 Years</b>	<b>2017 Years</b>
Retiring today		
- Males	23.1	23.0
- Females	25.2	25.1
Retiring in 20 years		
- Males	25.3	25.2
- Females	27.5	27.4

**The Trust's share of the assets in the scheme**

	<b>2018 Fair value £'000</b>	<b>2017 Fair value £'000</b>
Equities	5,094	3,458
Other bonds	663	473
Gilts	57	34
Cash	229	156
Property	924	603
Other assets	506	188
<b>Total fair value of assets</b>	<b>7,473</b>	<b>4,912</b>

The actual return on scheme assets was £311,000 (2017: £813,000).

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**24 Pension and similar obligations (Continued)**

<b>Amount recognised in the Statement of Financial Activities</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Current service cost	707	561
Net interest cost	161	111
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	2	2
<b>Total operating charge</b>	<b>870</b>	<b>674</b>

<b>Changes in the present value of defined benefit obligations</b>	<b>2018 £'000</b>
At 1 September 2017	9,759
Transferred in on existing academies joining the Trust	3,604
Current service cost	707
Interest cost	345
Employee contributions	114
Actuarial (gain)/loss	(1,552)
Benefits paid	(265)
<b>At 31 August 2018</b>	<b>12,712</b>

<b>Changes in the fair value of the Trust's share of scheme assets</b>	<b>2018 £'000</b>
At 1 September 2017	4,912
Transferred in on existing academies joining the Trust	2,028
Interest income	184
Return on plan assets (excluding net interest on the net defined pension liability)	127
Employer contributions	375
Employee contributions	114
Benefits paid	(265)
Effect of non-routine settlements	(2)
<b>At 31 August 2018</b>	<b>7,473</b>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**25 Related party transactions**

The University of Kent is our primary sponsor and some of their staff members are on our Board of Trustees. The following transactions have taken place between the University of Kent Academies Trust and the University of Kent:

Purchase transactions in the year amounted to £Nil (2017: £3,116). Purchases related to courses and tuition that have been provided by the University of Kent.

There was income received to the value of £82,758 (2017: £2,732) which related to sponsorship, grants, placements for student social workers, tuition and sports lettings.

There is a balance of £1,508 (2017: £1,060) included within other debtors at the year end of which £1,000 relates to a deposit held by the University of Kent and £508 in relation to outstanding income (2017: £Nil).

Medway Youth Trust, a registered charity (number 1124219), which provides independent careers advice, information, guidance and software to the trust, is no longer considered to be a related party, due to the resignation of P Martin, the Independent Chairman of Medway Youth Trust, resigning as a Trustee of the Trust on 11 November 2016. During the year to 31 August 2017, purchase transactions from Medway Youth Trust amounted to £24,466. No amounts were outstanding at the previous year end.

Sales transactions in the year amounted to £120 (2017: £540) to Medway Dragons RLFC in relation to sports lettings. P Clark, a Trustee of the Trust, is the President of Medway Dragons RLFC. At the year end, a balance of £Nil (2017: £120) is outstanding and is included with trade debtors.

Sales transactions in the year amounted to £Nil (2017: £6,000) to The Howard School in relation to funding for sport co-ordinators. Purchase transactions to the value of £967 (2017: £Nil) were made from the same in respect of contributions towards sporting events and equipment. M Baker-Moss, a Trustee of the Trust is also a Trustee of the Howard Academy Trust, of which The Howard School is part. No balances payable or receivable remained at the year end (2017: None)

Purchase transactions in the year amounted to £25 (2017: £nil) from The Place, a centre for performing arts, in respect of equipment. D Nightingale, a Trustee of the Trust, is also a Trustee of The Place. No amounts remained payable at the year end (2017 £Nil)

**26 Agency arrangements**

The Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year there was an amount brought forward of £18,173. It received £37,041 and disbursed £27,439. The Trust retained a beneficial interest in individual transactions such that £1,372 (2017: £1,560) has been recognised in income and expenditure in the Statement of Financial Activities. Therefore, at the year end, an amount of £26,403 (2017: £3,092) is included in other creditors.

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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

On 1 September 2017 Chatham Grammar School for Girls transferred into The University of Kent Academies Trust with all the operations and assets and liabilities being transferred for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academy into the Trust.

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

<b>Academy</b>	<b>Location</b>	<b>Date of conversion</b>
Chatham Grammar School for Girls	Rainham Road, Chatham, Kent, ME5 7EH	1 September 2017

	<b>2018 £'000</b>
<b>Net assets transferred:</b>	
LGPS pension surplus/(deficit)	(1,576)

	<b>Unrestricted Funds £'000</b>	<b>Restricted funds:</b>		<b>Total 2018 £'000</b>
		<b>General £'000</b>	<b>Fixed asset £'000</b>	
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	12,485	12,485
General Annual Grant (GAG)	-	(348)	-	(348)
LGPS pension funds	-	(1,576)	-	(1,576)
Other DfE / ESFA grants	-	7	-	7
	<u>-</u>	<u>(1,917)</u>	<u>12,485</u>	<u>10,568</u>

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(FORMERLY BROMPTON ACADEMY)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**27 Transfer of existing academies into the Trust (Continued)**

	Book value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
<b>Tangible fixed assets</b>			
Freehold land and buildings	12,475	-	12,475
Fixtures and fittings	10	-	10
<b>Current assets</b>			
Debtors	179	-	179
Cash in bank and in hand	97	-	97
<b>Liabilities</b>			
Creditors: amounts falling due within one year	(617)	-	(617)
Defined benefit pension scheme liability	(1,576)	-	(1,576)
<b>Net assets</b>	<u>10,568</u>	<u>-</u>	<u>10,568</u>

# INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE UNIVERSITY OF KENT ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 13 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by The University of Kent Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of The University of Kent Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of The University of Kent Academies Trust's accounting officer and Trustees**

The accounting officer is responsible, under the requirements of The University of Kent Academies Trust's funding agreement with the Secretary of State for Education dated April 2010 and the Academies Financial Handbook, extant from 1 September 2017, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The University of Kent Academies Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

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 2017 to 2018.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE UNIVERSITY OF KENT ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

### Use of our report

This report is made solely to The University of Kent Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 13 July 2017. Our work has been undertaken so that we might state to The University of Kent Academies Trust 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 The University of Kent Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

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Dated: *07/12/18*.....

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