

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014



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BRANSTON ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Governors	M Norman, Chair ¹ D Dearden, Vice Chair ¹ P Baker H Baxendale, Staff Governor (resigned 12 December 2013) M Bell, Staff Governor D Boyd ¹ S Burnett, Staff Governor (appointed 12 December 2013) D Challinor (appointed 24 January 2014) P Coathup (resigned 27 November 2013) P Coombes R Doe V Footitt ¹ N Harris Rev S Jones-Crabtree (resigned 25 June 2014) H Marriott, Staff Governor R Woollen ¹ J Wilcox P Beighton, Principal
	¹ Company Member

Company registered number	7419660
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Principal and registered office	Branston Community Academy Station Road Branston Lincoln LN4 1LH
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Company secretary	C Osborne
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Senior management team	P Beighton, Principal J Campbell, Vice-Principal K Lamming, Vice-Principal J Turner, Vice-Principal A Wright, Vice-Principal
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Independent auditor	BDO LLP St Hugh's 23 Newport Lincoln LN1 3DN
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Bankers	Lloyds Bank 202 High Street Lincoln LN5 7AP
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Solicitors	Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
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Advisers (continued)

Insurers	Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB
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BRANSTON ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Branston Academy Trust (the Trust) for the ended 31 August 2014. The annual report serves the purposes of both a trustees' report (under the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005) and of a directors' report under company law (The Companies Act 2006).

The Trust also trades under the name Branston Community Academy and operates a school for pupils aged 11 to 18 plus community-focussed nursery and gym facilities serving a catchment area south and east of Lincoln. The school has a pupil capacity of 1125 and had a roll of 1062 in the Autumn 2014 school census.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and was set up by a trust deed. Branston Academy Trust began trading as a charitable company on 1 December 2010, when Branston Community College ceased and was incorporated to Branston Community Academy.

The Branston Academy Trust is a company limited by guarantee and an exempt charity regulated by the Education Funding Agency (EFA). The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors, including the Principal, act as the Trustees for the charitable activities of Branston Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Branston Community Academy. Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

b. 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.

c. Method of recruitment and appointment or election of Governors

The management of the Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

The Academy currently has 15 governors including the Principal (ex-officio) and is required to have a minimum of three, there is no maximum. Parent governors (5) are elected by paper ballot of parents and candidates must be parents at the time of their election. Staff governors (3) are elected by staff at the Academy. Community governors (4) who must live or work in the community served by the academy, and partnership governors (2) may be appointed by the Governing Body. Further governors may be appointed by the company members (1) and the local authority (1). All Governors (except the Principal) are appointed for four years and may be re-elected or re-appointed.

d. Policies and procedures adopted for the induction and training of Governors

There is a core of long-standing, highly experienced governors and normally very low turnover of trustees, although during the year three have resigned and two been appointed (one vacancy pending appointment). All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to fulfil their roles. There is a dedicated area for governors on the school website. Any induction required is tailored specifically to the needs of the individual, for example this year there have been one to one mentoring sessions for the new governors.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

e. Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, ensuring funding is spent in line with any restrictions, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. There are four committees – Finance and Resources, Curriculum and Staffing, Standards and Specialisms and the Governors Standing Committee. Standing Committee currently has six members - the Chair and Vice-Chair of the governing body, the Chairs of the other three committees and the Principal. It has delegated powers to act on behalf of any committee or the full Governing Body.

The senior management team comprises the Principal and four Vice-Principals. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Principal is the Accounting Officer and the Business Manager is the Principal Finance Officer. Other managers including the IT Systems Manager and heads of department are responsible for the authorisation of spending within agreed budgets, but limits have been set in the Financial Regulations above which the senior management team must be made aware of proposed expenditure. A detailed Scheme of Delegation has been agreed by the governing body and sets out the responsibilities and delegated authority of relevant individuals.

f. Connected organisations, including related party relationships

Branston Community Academy is a member of the Lincoln Specialist Schools Group (LSSG), a co-operative forum for seven specialist schools in the Lincoln area, some of which also have academy status. This furthers the charitable activities of Branston Academy Trust, particularly through the sharing of expertise and resources to deliver additional A level courses using high definition video conferencing technologies. Other collaborative activities include staff development, GCSE Maths days, Sports and Arts celebrations. A Principal Finance Officers / Business Managers network provides mutual support for business activities including collective and collaborative procurement.

g. Governors' indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of the governors.

Objectives and Activities

a. Objects and aims

The principal object and activity of the Academy Trust is to provide education for students of all abilities between the ages of 11 and 19 with an emphasis on our specialist areas of Business and Enterprise and Applied Learning.

The main objectives of Branston Academy Trust as set out in the articles of association and funding agreement are:

- to ensure that every student receives the same high quality education
- to raise the standard of educational achievement for all of our students
- to improve the educational provision of the Academy by keeping the curriculum and all operations of the Academy under constant review
- to provide value for money on the spending of public money
- to comply with all appropriate statutory and curriculum requirements
- to maintain links with the wider community including through our on-site community provision and to provide recreation and leisure facilities in the interests of social cohesion and the wider community.
- to conduct Branston Community Academy business in accordance with the highest standards of integrity, probity and openness
- to work with other educational providers to advance the quality of education across the City of Lincoln and its surrounding area.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

b. Objectives, strategies and activities

Branston Community Academy is a place of learning where the principal objective is to provide very high academic standards which are complemented and supported by first class pastoral care and guidance.

We promote values that support the achievement of that vision, particularly ambition and compassion. We believe that these values can and should be complementary rather than in opposition.

The curriculum strategy recognises that the Academy serves an intake that mirrors the national average profile. As a result we need a curriculum that meets the needs of those requiring a traditional academic experience and other young people who need a curriculum that has a rich applied and work related learning component. The ability of our curriculum to meet those disparate needs extremely effectively is an undoubted strength of the Academy.

c. Equality

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment when required, by making support resources available and through training and career development. Door widths are adequate to enable wheelchair access to all the main areas of the Academy and several disabled toilets are installed. The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contributions and needs of all people are fully valued.

d. Public benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. The core business activity of the Trust is providing secondary education for the public benefit in the south Lincoln area.

An admissions policy is reviewed and published annually. These arrangements are determined in line with the School Admissions Code.

In addition, the Academy Trust provides a community nursery, community library and facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the local community.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

a. Review of activities

Student Achievement

The key performance indicator for Branston Community Academy is student achievement as this is the core purpose of the enterprise. Student achievement has been outstanding for a number of years; young people progress well beyond expectations by the end of compulsory education in traditional (EBacc courses), other GCSE and vocational courses. Moreover students in the Academy 6th form then progress beyond expectations despite the extremely challenging targets set as a result of the outstanding achievement at 16.

Curriculum and Extra-curricular Activities

The Academy curriculum pattern is constructed to allow students to follow traditional academic routes or to access one or more vocational options without identifying students in constricted 'pathways'. The quality and personalization of the curriculum is definitely a major factor in current success with student achievement.

A previous High Performing Specialist School, we are now part of the Leading Edge Programme (LEPP), responsible for sharing good and best practice within that community and beyond it. This expertise informs and supports the development of the curriculum, particularly at KS4 and KS5, and promotes breadth, relevance and flexibility in our provision. The Academy has twice had its curriculum used as a national case study. Alistair Douglas from the DfE contacted the Academy to include student achievement at Advanced level in a government special report about achievement of young people in state school 6th forms.

Students from the Academy participate to high standards in Cambridge Schools Debating competition. We are regularly the only, or one of the few state comprehensive schools competing at this level. The Academy regularly produces Arkwright scholars from the outstanding Technology department.

Pupil Premium

This is funding associated with the Government's commitment to deliver extra resources into schools for work with the 'disadvantaged'. Disadvantage is defined specifically as students entitled to receive free school meals (FSM) which is, perhaps, a somewhat blunt and simplistic mechanism to identify that need. There are smaller sums of funding per pupil available for children of service personnel. Put simply we have decided to spend approximately half of the funding employing student support officers as academic mentors, the rest of the funding is used to pay for generic, targeted and personalised activities for students to help overcome general and specific barriers to learning. Student support officers work closely with students to identify and challenge barriers to learning, in addition to generic funding (e.g. uniforms) the mentoring process may identify that a particular student needs tuition in Maths or access to the Internet and that barrier is then removed.

Business & Enterprise Activities

The academy employs a business co-ordinator who supports business links with local employers and in particular a major business operation encompassing a range of individual businesses. It has been a key element in creating and developing an extensive range of curriculum projects and enrichment activities.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

General Performance Indicators

Benchmarked surveys from students, parents and staff have all given the highest possible category rating (outstanding) in the last six years. Responses from students, parents and staff are compared to responses from students, parents and staff nationally to the same questions to produce meaningful results.

All staff have regular performance management reviews. Ongoing monitoring of student attendance and staff absence enables appropriate support to be provided to individuals.

Community Activities

The Academy is proud of its community dimension. In 2014 we have successfully opened a community gymnasium (Herons) which has over 500 members. This venture joins the highly successful community Nursery as businesses instigated and managed by the academy. In addition we host a community Library sharing facilities between the school and wider community.

Equality

The Academy has continued to promote tolerance and understanding of different cultures, beliefs and other characteristics through its curriculum, pastoral activities and the way issues are dealt with on a day to day basis. Improvements to the site over the year have included provision of disabled access to the swimming pool and gym, the building of separate disabled changing rooms and an additional disabled toilet in the Concert Hall/Nursery extension and refurbishment programme plus minor alterations such as the installation of additional ramps.

b. Key financial performance indicators

Financial performance indicators commonly used to monitor the financial performance of schools are set out in the table below, together with some standard financial ratios. Comparative information from the previous three financial years is provided. Whole-year adjustments have been made for 2010-11, a short period of 9 months following academy conversion, as figures would otherwise be meaningless.

	2010-11	2011-12	2012-13	2013-14
Staff costs as a % of total costs	72.90%	68.45%	63.71%	67.96%
Pupil to teacher ratio	17.35	17.70	17.70	17.50
Average teaching post cost*	£49,572	£49,229	£50,691	£50,018
Average cost per pupil (total)*	£5,244	£5,431	£5,762	£5,463
Average direct cost per pupil*	£4,471	£4,410	£4,273	£4,332
Teacher cost per pupil*	£2,856	£2,780	£2,859	£2,826
Support staff cost per pupil	-	£808	£868	£920
Occupancy costs as a % of total costs (includes premises improvements and site staff)	9.26%	11.82%	19.97%	28.90%
% of total income than from grants and delegated funding	7.52%	6.01%	7.11%	8.36%
Operating surplus	£632,714	£741,639	£310,613	£613,729
Working capital	5.96:1	4.31:1	13.90:1	5.80:1
Public equity	£846,917	£1,390,280	£1,709,924	£1,082,384

* 2010-11 figure grossed up from 9 months to 12 months

Staff salaries make up the greatest proportion of the school budget, so staff salaries as a % of total costs are a key indicator of the financial health of the school. This figure has increased slightly during 2013-14 from previous years and at under 70% can be seen as an indicator that the academy has sufficient funds available to meet other demands on revenue funding. Benchmarking against similar schools suggests that it remains lower than the median, however this is obviously affected by the level of other expenditure. Occupancy costs, for example are relatively high due to the age, nature and usage of the school buildings combined with investment in the premises. The average teaching post cost has fallen from £50,691 to £50,018 which reflects the recruitment of a number of staff at the start of their careers so on lower scale points.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The pupil / teacher ratio is a key performance indicator of the teaching resource available to carry out the core business of providing education. This remains relatively static, but has decreased to 17.5 pupils per teacher during 2013-14. Factors contributing to this include Y7 recruitment being slightly below Planned Admission Number (PAN) for the past two years. The reductions in pupil numbers and average teaching post cost are also reflected in a small reduction in the teacher cost per pupil. The support staff cost per pupil has risen from £868 to £920 per pupil, which is directly attributable to the strategic decision to spend a significant proportion of Pupil Premium on additional student support officers.

During the year, the academy has heavily in its premises, completing a major project to increase the capacity of the main hall, expand the nursery and improve teaching facilities in music and drama. Investment was also made in a community gym which opened during the year and a significant programme of underground pipework replacement was completed. Work began on a major project to improve changing facilities for the swimming pool, including disabled facilities. This capital and maintenance expenditure is reflected in the increase in occupancy costs as a percentage of total costs.

Over 8% of the Trust's income was self-generated i.e. not from grants or delegated funding. Benchmarking against similar academies nationally indicates that the median figure is 4.4%. This reflects community activities which generate income – the nursery, Heron's gym, swimming lessons and lettings.

Working capital is an indicator of the organisation's ability to generate cash and meet its liabilities as they become due – this shows a decrease on the previous year but is nevertheless an indication of the financial health of the company - current assets more than five times current liabilities. The operating surplus has increased. Public equity has been calculated as the difference between total assets (excluding fixed assets) and total liabilities (including the pension deficit) and has decreased during the year due to a reduction in cash and an increase in the pension deficit.

c. Going concern

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Financial review

a. Principal funding

Most of the Academy'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 period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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.

A grant of £162,000 was awarded to the academy during 2012-13 from the Academies Capital Maintenance Fund (ACMF). This was restricted to the replacement of end-of-life utilities services pipework which was considered a significant business risk as well as an ongoing drain on revenue funding designated for maintenance. The project associated with this grant spanned two financial years and the work was completed during August 2014, with funding of £64,800 being received during the year. The ACMF grant is treated as revenue funding because of the nature of the expenditure.

During the period ended 31 August 2014, total expenditure of £5,801,952 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period after transfers between funds and adjustments (excluding restricted fixed asset funds) was £613,729.

At 31 August 2014 the net book value of fixed assets was £8,216,430 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy or for its community activities.

b. Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined an appropriate level of free reserves to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £718,062 (note 20) which is less than the pension scheme liability of £819,000. The pension scheme liability increased significantly during the year from £437,000 as at 31 August 2013 and unrestricted funds decreased due to expenditure on the new community gym. Given that the pension liability is long-term, it does not affect the availability of working capital on an operational basis. However, as a result reserves are not being designated for any particular purposes.

In previous years the academy chose to pay a higher contribution rate to the Local Government than required in order to reduce this deficit. However, following the revaluation as at 31 March 2013, it was decided to pay the Lincolnshire County Council default rate of 19.9% from April 2014 – this rises to 20.9% in April 2015.

c. Investments policy

The Academy's investment policy is set out in the Financial Regulations (812) and states that investments must be made only in risk-averse, ethical funds. During 2013-14 funds were invested in short, medium and long term bank deposits after careful consideration of the options and returns available. A significant amount was kept immediately available in case of unforeseen maintenance issues or known infrastructure issues relating to the age of the property.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

d. Principal risks and uncertainties

Risks may be classified as strategic, operational, financial, compliance and reputation, but in practice many risks will fall into more than one category.

The principal risk currently facing the Academy is the recruitment of students in Year 7 and Year 12, which have been identified as separate governing body strategic priorities. Year 7 numbers failed to reach the planned admission number (PAN) in 2012 and 2013. As a result the Academy is budgeting for reduced intake and mitigation measures include the standards agenda and primary partnerships. Year 12 recruitment continues to be a similar risk and there is a multi-faceted plan in place to mitigate this, focussing in particular on student support. Other high risks include reduction in 6th form funding which is set to continue until 2015-16 and changes in the school funding at a national level are always unpredictable. Budget contingency planning is the main mitigation measure.

Operational risks with the highest rating have been identified as relating to sustainability (fuel, utilities and waste expenditure) and financial benchmarking. Key controls are meticulous monitoring and benchmarking of energy expenditure, combined with regular review of contracts following best value principles. Moderate operational risks relating to the unpredictability of staffing costs are mitigated by means of flexible roles and budget contingencies, combined with detailed monthly monitoring. Individual projects and issues are risk assessed as they arise. Measures are also being put in place to reduce staff absence and consequential major additional supply costs. The Financial Regulations and Scheme of Delegation detail the controls in place to ensure proper operation of the Academy's day to day finances. These are designed to ensure that:

- the Academy is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- the proper records are maintained and financial information used within the Academy or for publication is reliable
- the Academy complies with relevant laws and regulations

The Academy premises are considered to be a very high risk because parts of the site are more than 50 years old, infrastructure such as underground piping is failing and significant investment could be required to safeguard the continuance of business operations. A programme of ACMF-funded work to replace pipework and reduce the risk of school closure was completed during the year.

The extent of the Academy's exposure to financial risks including credit, cash flow and liquidity has been considered. The Academy's current assets are at present sufficient to meet immediate needs so cash flow is not considered a risk. Debtors are principally due to lettings and student music lessons, amounts are small and not material. A specialist courier collects banking weekly which minimises the risk of cash in transit and work is in progress to reduce incoming cash and cheque payments by encouraging use of the online ParentPay system which was purchased during the year. It is not considered that there is material risk from trade creditors. There is a material deficit on the LGPS defined benefit pension scheme.

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GOVERNORS' REPORT (continued)
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Plans for the future

a. Plans for Future Periods

The Academy is committed to maintaining its outstanding status and sustaining the existing high levels of student achievement (top quartile in GCSE core subjects, post 16 three-year averages Alis at +0.10 or better / CVA 1000 or better). A particular focus will be to monitor, review and implement changes to sustain standards as EBacc impacts on the KS4 curriculum pattern. Other curriculum-related priorities include the Branston learning skills programme and enrichment provision for gifted and talented students. The learning web continues to develop as a first class learning resource and it is anticipated that parent portal will become an effective tool for involving parents with their children's learning.

During 2013-14 plans to improve financial operations and included the introduction of BACS which has been trialled successfully for implementation in 2014-15 and consideration of other electronic payment systems. ParentPay was introduced as an online system for gym payments and will be rolled out for school trips in 2014-15 as part of a move to reduce cash handling. A specialist gym management and payment system will also be installed and consideration given to a management system for the nursery. Partnerships with members of the Lincoln Specialist Schools Group and primary school collaborations have already been established and ways of developing these partnerships for mutual benefit are being explored, including a collaborative group of principal finance officers and business managers.

Continued capital investment in the premises is planned – with reducing revenue expenditure and sustainability being the guiding principles.

Projects under consideration include solar shading and car park improvements which were put on hold during 2013-14, plus refurbishment of the sports hall. Prudent financial management is considered crucial in anticipation of challenging times ahead.

Funds held as custodian

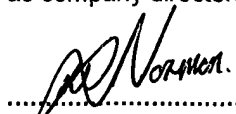
None.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the strategic report, was approved by order of the board of trustees, in their capacity as company directors, on 10 December 2014 and signed on its behalf by:


.....
M. Norman, Chair
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Branston Academy 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 governing body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Branston Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the governors' responsibilities statement. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
M Norman, Chair	2	3
D Dearden, Vice Chair	3	3
P Baker	3	3
H Baxendale, Staff Governor	1	1
M Bell, Staff Governor	1	3
D Boyd	2	3
S Burnett, Staff Governor	1	2
D Challinor	2	2
P Coathup	0	1
P Coombes	3	3
R Doe	3	3
V Foottit	2	3
N Harris	0	3
Rev S Jones-Crabtree	0	3
H Marriott, Staff Governor	3	3
R Woollen	3	3
J Wilcox	2	3
P Beighton, Principal	3	3

There have been some changes in the composition of the governing body. H Baxendale resigned as a staff governor and was replaced by S Burnett, in addition P Coathup and Rev S Jones-Crabtree resigned and D Challinor was appointed. No particular governance-related challenges have arisen.

There are three main specialist committees which meet at least once per term (three times a year), plus the Standing Committee which meets monthly.

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GOVERNANCE STATEMENT (continued)

The Finance and Resources Committee is a committee of the main governing body. Its purpose is to take responsibility for all matters concerning the maintenance and development of buildings, for financial matters, including the creation of the annual budget and its subsequent monitoring. Attendance during the year at meetings of the committee was as follows:

Governor	Meetings attended	Out of a possible
M Norman	3	3
D Dearden	3	3
M Bell	3	3
S Burnett	2	2
P Coathup	0	1
V Foottit	2	3
R Woollen, Chair	3	3
J Wilcox	0	3
P Beighton	3	3

The Curriculum & Staffing Committee has delegated powers to decide matters concerning the curriculum and staffing of the Academy. Each year this Committee discusses the following year's curriculum plan, and also the corresponding staffing plan, after which it needs to decide on an establishment figure for the coming year and discuss in general any associated strategies to achieve the required quantity and quality of staff. During the year the Committee will receive updates on major curriculum and staffing developments and receives and decides upon recommendations from the Principal on the general pattern of allowances within the Academy.

Matters concerning individual members of staff must, for legal reasons, be decided upon by a small group and the Personnel Committee fulfils this role. Membership consists of the Chairman of Governors, the Chairman of the Curriculum and Staffing Committee and one other elected annually.

The Standards & Specialism Committee has delegated powers to consider and decide policy matters relating to the monitoring of performance and standards and the progress and development of the Academy specialism. In particular, the Committee receives annual reports from the Principal and/or senior post-holders on the Academy's self-evaluation of overall performance

Standing Committee

The Standing Committee has several functions, including fulfilling the role of the Academy's audit committee. It discusses any general issues concerning the well-being of the Academy and can act as a Steering Committee for business, directing issues to the agenda of specialist committees or the full governing body. It reacts, where necessary, to current issues needing a response before an appropriate full or committee meeting is held; it receives reports from the Principal on action considered significant enough to raise at once with the governing body. It receives monitoring reports on the budget in between meetings of the Finance and Resources Committee and has delegated powers to act on behalf of the governing body.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Norman	6	7
D Dearden	7	7
V Foottit	5	7
R Woollen	7	7
D Boyd	5	7
P Beighton	7	7

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Branston Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Standing Committee/Finance and Resources 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. The Academy's external auditors, BDO LLP, have been engaged to perform a supplementary programme of work.

Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis (three times per year), the auditor reports to the board of trustees through the standing committee or finance and resources committee on the operation of the systems of control and the discharge of their financial responsibilities.

The auditor has delivered the scheduled work as planned and no material control issues have arisen during the year. This year matters have been raised in connection with supplier management and management of self-generated income. The latter has provided support for work which was already under way to adopt cashless and electronic payment systems.

BRANSTON ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

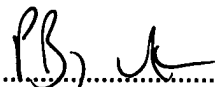
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Standing Committee/Finances and Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2014 and signed on their behalf, by:


.....
M Norman, Chair
Chair of Trustees


.....
P Beighton, Principal
Governor

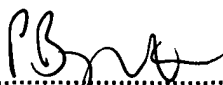
BRANSTON ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.


.....
P Beighton, Principal
Accounting Officer

Date: 10 December 2014

BRANSTON ACADEMY TRUST
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GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who act as trustees of the Charitable Company and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements the Governors are required to:

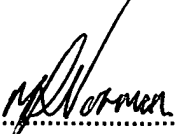
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Academies Accounts Direction 2013. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 Board of Governors and signed on its behalf by:


.....
M Norman, Chair,
for and on behalf of the board of governors

Date: 10 December 2014

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRANSTON ACADEMY TRUST

We have audited the financial statements of Branston Academy Trust ("the Academy") for the year ended 31 August 2014 which comprise the statement of financial activities, incorporating the balance sheet, the cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2013 to 2014. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

BRANSTON ACADEMY TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRANSTON ACADEMY TRUST

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate and proper accounting records have not been kept in respect of the Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.

BDO LLP

Craig Burton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Lincoln
United Kingdom

16 December 2014

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

BRANSTON ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRANSTON
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Branston Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Branston Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Branston Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2010, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 10 of the Academies Accounts Direction 2013 to 2014.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRANSTON
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP
Reporting Accountant
Lincoln
United Kingdom

Date: *16 December 2014*

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Activities for generating funds	3	536,446	-	-	536,446	457,955
Investment income	4	17,203	1,000	-	18,203	16,844
Incoming resources from charitable activities	5	-	5,861,032	-	5,861,032	5,966,768
TOTAL INCOMING RESOURCES		553,649	5,862,032	-	6,415,681	6,441,567
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	3	431,005	-	-	431,005	359,041
Charitable activities		-	5,032,862	316,441	5,349,303	5,756,058
Governance costs	6	-	21,644	-	21,644	15,855
TOTAL RESOURCES EXPENDED	8	431,005	5,054,506	316,441	5,801,952	6,130,954
NET INCOMING RESOURCES BEFORE TRANSFERS		122,644	807,526	(316,441)	613,729	310,613
Transfers between Funds	18	(212,848)	(993,862)	1,206,710	-	-
NET INCOME FOR THE YEAR		(90,204)	(186,336)	890,269	613,729	310,613
Actuarial gains and losses on defined benefit pension schemes		-	(351,000)	-	(351,000)	57,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(90,204)	(537,336)	890,269	262,729	367,613
Total funds at 1 September 2013		825,469	884,455	7,326,161	9,036,085	8,668,472
TOTAL FUNDS AT 31 AUGUST 2014		735,265	347,119	8,216,430	9,298,814	9,036,085

All activities relate to continuing operations.

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

The notes on pages 25 to 44 form part of these financial statements.

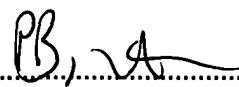
BRANSTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7419660

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		8,216,430		7,326,161
CURRENT ASSETS					
Stocks	15	-		675	
Debtors	16	346,835		186,947	
Cash at bank		1,950,360		2,125,734	
		<u>2,297,195</u>		<u>2,313,356</u>	
CREDITORS: amounts falling due within one year	17	(395,811)		(166,432)	
NET CURRENT ASSETS			<u>1,901,384</u>		<u>2,146,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,117,814</u>		<u>9,473,085</u>
Defined benefit pension scheme liability	24	(819,000)		(437,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,298,814</u></u>		<u><u>9,036,085</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	1,166,119		1,321,455	
Restricted fixed asset funds	18	8,216,430		7,326,161	
		<u>9,382,549</u>		<u>8,647,616</u>	
Restricted funds excluding pension liability					
Pension reserve		(819,000)		(437,000)	
		<u></u>		<u></u>	
Total restricted funds			8,563,549		8,210,616
Unrestricted funds	18		735,265		825,469
TOTAL FUNDS			<u><u>9,298,814</u></u>		<u><u>9,036,085</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:


.....
M Norman, Chair
Chair of Trustees


.....
P Beighton, Principal

The notes on pages 25 to 44 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	1,048,539	648,521
Returns on investments and servicing of finance	21	(17,203)	(16,844)
Capital expenditure and financial investment	21	(1,206,710)	(342,239)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(175,374)	289,438

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(175,374)	289,438
MOVEMENT IN NET FUNDS IN THE YEAR	(175,374)	289,438
Net funds at 1 September 2013	2,125,734	1,836,296
NET FUNDS AT 31 AUGUST 2014	1,950,360	2,125,734

The notes on pages 25 to 44 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

BRANSTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciated replacement cost has been used as the basis for the valuation of freehold buildings transferred from Branston Community College to the Academy on its formation at a total value of £7million. A reinstatement valuation for insurance purposes was used to attribute an assessment of current costs to the individual major building units. Known costs of approximately £1million for building projects undertaken during the last 10 years were added to this in respect of improvements. This total was then discounted to take account of the age and condition of each unit using an estimated useful life of 50 years as benchmark.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Plant and machinery	- 15% straight line
Fixtures and fittings	- 10% straight line
Computer equipment	- 25% straight line

BRANSTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Taxation

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

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

BRANSTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has exceeded these limits during the year ended 31 August 2014.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Charity trading income			
Nursery income	202,492	202,492	132,353
Catering income	206,968	206,968	202,448
Other income	126,986	126,986	123,154
	<u>536,446</u>	<u>536,446</u>	<u>457,955</u>
Fundraising trading expenses			
Nursery expenditure	147,698	147,698	125,004
Catering expenditure	215,144	215,144	206,415
Other expenditure	68,163	68,163	27,622
	<u>431,005</u>	<u>431,005</u>	<u>359,041</u>
Net income from activities for generating funds	<u><u>105,441</u></u>	<u><u>105,441</u></u>	<u><u>98,914</u></u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank Interest	17,203	-	17,203	16,844
Net pension income (note 12)	-	1,000	1,000	-
	<u>17,203</u>	<u>1,000</u>	<u>18,203</u>	<u>16,844</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants			
General annual grant	5,356,417	5,356,417	5,485,949
Other DfE/EFA grants	208,929	208,929	199,157
DfE/EFA capital maintenance grants	86,772	86,772	73,774
	<u>5,652,118</u>	<u>5,652,118</u>	<u>5,758,880</u>
Other government grants			
SEN grants	153,638	153,638	104,911
	<u>153,638</u>	<u>153,638</u>	<u>104,911</u>
Other funding			
Local authority and other grants	55,276	55,276	102,977
	<u>55,276</u>	<u>55,276</u>	<u>102,977</u>
	<u><u>5,861,032</u></u>	<u><u>5,861,032</u></u>	<u><u>5,966,768</u></u>

6. GOVERNANCE COSTS

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditor's remuneration	10,500	10,500	10,000
Auditor's non audit costs	11,144	11,144	5,855
	<u>21,644</u>	<u>21,644</u>	<u>15,855</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS			
Wages and salaries	2,931,146	2,931,146	2,895,052
National insurance	213,996	213,996	226,092
Pension cost	460,902	460,902	442,842
Depreciation	316,440	316,440	294,270
Net interest on pension scheme liability (note 13)	-	-	10,000
Teaching and education	103,598	103,598	51,327
Technology costs	120,799	120,799	138,526
Educational supplies	204,613	204,613	220,496
Examination fees	110,981	110,981	158,084
Staff development	50,123	50,123	33,674
Recruitment and support	38,789	38,789	15,810
Other costs	48,448	48,448	39,824
Legal and professional	14,853	14,853	20,876
	<u>4,614,688</u>	<u>4,614,688</u>	<u>4,546,873</u>
SUPPORT COSTS			
Wages and salaries	284,587	284,587	276,072
National insurance	10,537	10,537	11,312
Pension cost	41,958	41,958	41,499
Maintenance of premises	122,253	122,253	556,667
Cleaning	32,846	32,846	29,665
Rent and rates	33,665	33,665	35,123
Energy costs	112,121	112,121	148,384
Insurance	22,465	22,465	75,192
Security and transport	16,514	16,514	11,673
Catering	18,587	18,587	1,965
Other support costs	39,082	39,082	21,633
	<u>734,615</u>	<u>734,615</u>	<u>1,209,185</u>
	<u><u>5,349,303</u></u>	<u><u>5,349,303</u></u>	<u><u>5,756,058</u></u>

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8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Cost of activities for generating funds	249,727	-	181,278	431,005	359,041
Costs of generating funds	249,727	-	181,278	431,005	359,041
Direct costs	3,606,044	316,440	692,204	4,614,688	4,546,873
Support costs	337,082	-	397,533	734,615	1,209,185
Charitable activities	3,943,126	316,440	1,089,737	5,349,303	5,756,058
Governance	-	-	21,644	21,644	15,855
	4,192,853	316,440	1,292,659	5,801,952	6,130,954

9. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	316,441	294,270
Auditor's remuneration	10,500	10,000
Other operating leases	1,228	-
	328,169	304,270

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10. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	3,451,854	3,373,538
Social security costs	226,963	239,840
Other pension costs (Note 24)	514,036	492,011
	<u>4,192,853</u>	<u>4,105,389</u>
Supply teacher costs	14,743	6,667
Compensation payments	-	9,495
Agency staff costs	88,855	35,717
	<u><u>4,296,451</u></u>	<u><u>4,157,268</u></u>

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

	2014 No.	2013 No.
Teachers	60	60
Administration and support	58	55
Management	7	7
	<u>125</u>	<u>122</u>

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	1	0
	<u>4</u>	<u>4</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £39,934.

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**NOTES TO THE FINANCIAL STATEMENTS
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11. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2014 £	2013 £
P Beighton - Principal and trustee	100,000-105,000	95,000-100,000
H Baxendale - Staff governor and trustee	-	45,000-50,000
M Bell - Staff governor and trustee	45,000-50,000	45,000-50,000
H Marriot - Staff governor and trustee	25,000-30,000	20,000-25,000
S Burnett - Staff governor and trustee	25,000-30,000	-

During the year, no Governors received any reimbursement of expenses (2013 - £NIL).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2 million on any one claim and the cost for the year ended 31 August 2014 was £1,016 (2013 - £1,016).

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

13. NET INTEREST ON PENSION SCHEME LIABILITY

	2014 £	2013 £
Expected return on pension scheme assets	88,000	55,000
Interest on pension scheme liabilities	(87,000)	(65,000)
	<u>1,000</u>	<u>(10,000)</u>

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14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2013	7,182,665	91,567	433,767	336,547	8,044,546
Additions	972,087	20,772	157,279	56,572	1,206,710
Disposals	-	-	-	(13,906)	(13,906)
At 31 August 2014	<u>8,154,752</u>	<u>112,339</u>	<u>591,046</u>	<u>379,213</u>	<u>9,237,350</u>
Depreciation					
At 1 September 2013	390,471	34,115	92,569	201,230	718,385
Charge for the year	163,096	17,835	63,121	72,389	316,441
On disposals	-	-	-	(13,906)	(13,906)
At 31 August 2014	<u>553,567</u>	<u>51,950</u>	<u>155,690</u>	<u>259,713</u>	<u>1,020,920</u>
Net book value					
At 31 August 2014	<u>7,601,185</u>	<u>60,389</u>	<u>435,356</u>	<u>119,500</u>	<u>8,216,430</u>
At 31 August 2013	<u>6,792,194</u>	<u>57,452</u>	<u>341,198</u>	<u>135,317</u>	<u>7,326,161</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STOCKS

	2014 £	2013 £
Consumable items	-	675

16. DEBTORS

	2014 £	2013 £
Trade debtors	36,249	22,216
Other debtors	172,130	96,887
Prepayments and accrued income	138,456	67,844
	<u>346,835</u>	<u>186,947</u>

17. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	81,254	-
Other taxation and social security	72,225	12,741
Other creditors	135,138	69,999
Accruals and deferred income	107,194	83,692
	<u>395,811</u>	<u>166,432</u>

Deferred income relates to funding for the financial year 2014/15 which has been received in advance.

£

Deferred income

Deferred income at 1 September 2013	33,452
Resources deferred during the year	13,306
Amounts released from previous years	(33,452)
Deferred income at 31 August 2014	<u>13,306</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other unrestricted funds	795,632	351,158	(283,309)	(137,848)	-	725,633
Nursery fund	29,837	202,491	(147,696)	(75,000)	-	9,632
	<u>825,469</u>	<u>553,649</u>	<u>(431,005)</u>	<u>(212,848)</u>	<u>-</u>	<u>735,265</u>
Restricted funds						
General Annual Grant (GAG)	903,059	5,356,417	(4,585,596)	(993,862)	-	680,018
Other DfE/EFA grants	34,093	69,688	-	-	-	103,781
SEN grants	-	153,638	(153,638)	-	-	-
Local Authority and other grants	126,824	-	-	-	-	126,824
Nursery fund	-	49,276	(49,276)	-	-	-
Capital maintenance grants	23,787	64,800	(88,587)	-	-	-
Capital grants	210,609	21,972	-	-	-	232,581
Other restricted grants and income	16,844	-	-	-	-	16,844
Pupil premium	6,239	145,241	(145,409)	-	-	6,071
Pension reserve	(437,000)	1,000	(32,000)	-	(351,000)	(819,000)
	<u>884,455</u>	<u>5,862,032</u>	<u>(5,054,506)</u>	<u>(993,862)</u>	<u>(351,000)</u>	<u>347,119</u>
Restricted fixed asset funds						
Fixed asset fund	7,326,161	-	(316,441)	1,206,710	-	8,216,430
Total restricted funds	<u>8,210,616</u>	<u>5,862,032</u>	<u>(5,370,947)</u>	<u>212,848</u>	<u>(351,000)</u>	<u>8,563,549</u>
Total of funds	<u>9,036,085</u>	<u>6,415,681</u>	<u>(5,801,952)</u>	<u>-</u>	<u>(351,000)</u>	<u>9,298,814</u>

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

General Annual Grant (GAG)

These are expended on the provision of education, including associated support functions, and on the Academy's related community activities.

Other DfE/EFA grants

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. STATEMENT OF FUNDS (continued)

SEN grant

Funds received specifically for use on pupils with special educational needs.

Local Authority and other grants

Funds received from the local authority for specific projects.

Nursery fund

Funds received for use on the community nursery provision.

Capital maintenance grants and capital grants

Funds received from various bodies for the purposes of capital and repairs works.

Other restricted grants and income

Funds generated in relation to other specific grants and income.

Pupil premium

Funds received for the purposes of providing additional support to pupils who receive free school meals.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

Other unrestricted funds

These are used in support of the Academy's educational and community activities.

Transfers

During the year, fixed asset additions of £1,206,710 were purchased from the GAG funds, unrestricted funds and the unrestricted nursery fund. These have been appropriately transferred to the fixed asset fund.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	825,469	553,649	(431,005)	(212,848)	-	735,265
Restricted funds	884,455	5,862,032	(5,054,506)	(993,862)	(351,000)	347,119
Restricted fixed asset funds	7,326,161	-	(316,441)	1,206,710	-	8,216,430
	<u>9,036,085</u>	<u>6,415,681</u>	<u>(5,801,952)</u>	<u>-</u>	<u>(351,000)</u>	<u>9,298,814</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	8,216,430	8,216,430	7,326,161
Current assets	735,265	1,561,929	-	2,297,194	2,313,355
Creditors due within one year	-	(395,810)	-	(395,810)	(166,431)
Provisions for liabilities and charges	-	(819,000)	-	(819,000)	(437,000)
	<u>735,265</u>	<u>347,119</u>	<u>8,216,430</u>	<u>9,298,814</u>	<u>9,036,085</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	613,729	310,613
Returns on investments and servicing of finance	17,203	16,844
Depreciation of tangible fixed assets	316,441	294,270
Decrease in stocks	675	2,282
(Increase)/decrease in debtors	(155,708)	393,964
Increase/(decrease) in creditors	225,199	(395,452)
FRS 17 adjustments	31,000	26,000
Net cash inflow from operations	<u>1,048,539</u>	<u>648,521</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>(17,203)</u>	<u>(16,844)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(1,206,710)</u>	<u>(342,239)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	2,125,734	(175,374)	-	1,950,360
Net funds	2,125,734	(175,374)	-	1,950,360

23. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	63,896	650,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £63,331 were payable to the scheme at 31 August 2014 (2013 - £nil) 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 Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £176,000, of which employer's contributions totalled £137,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are 19.9% for employers and 5.5 - 7.5% for employees.

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

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,467,000)	(1,787,000)
Fair value of scheme assets	1,648,000	1,350,000
	<hr/>	<hr/>
Net liability	(819,000)	(437,000)
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities are as follows:

	2014 £	2013 £
Current service cost	(184,000)	(153,000)
Interest on obligation	(87,000)	(65,000)
Expected return on scheme assets	88,000	55,000
Total	(183,000)	(163,000)
 Actual return on scheme assets	 174,000	 160,000

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

	2014 £	2013 £
Opening defined benefit obligation	1,787,000	1,483,000
Current service cost	184,000	153,000
Interest cost	87,000	65,000
Contributions by scheme participants	44,000	39,000
Actuarial Losses	373,000	47,000
Benefits paid	(8,000)	-
Closing defined benefit obligation	2,467,000	1,787,000

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

	2014 £	2013 £
Opening fair value of scheme assets	1,350,000	1,015,000
Expected return on assets	88,000	55,000
Actuarial gains	22,000	104,000
Contributions by employer	152,000	137,000
Contributions by employees	44,000	39,000
Benefits paid	(8,000)	-
	1,648,000	1,350,000

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses was £480,000 (2013 - £129,000).

The Academy expects to contribute £166,000 to its defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	6.30 %	6.60 %
Bonds	3.60 %	4.30 %
Property	4.50 %	4.70 %
Cash	3.30 %	3.60 %

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24. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.80 %	6.10 %
Rate of increase in salaries	4.00 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.2 years	21.2 years
Females	24.4 years	23.4 years
Retiring in 20 years		
Males	24.5 years	23.7 years
Females	26.8 years	25.7 years

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2014	2013	2012	2011
	£	£	£	£
Defined benefit obligation	(2,467,000)	(1,787,000)	(1,483,000)	(1,074,000)
Scheme assets	1,648,000	1,350,000	1,015,000	769,000
Deficit	(819,000)	(437,000)	(468,000)	(305,000)
Experience adjustments on scheme liabilities	(373,000)	(47,000)	(197,000)	(13,000)
Experience adjustments on scheme assets	22,000	104,000	27,000	(29,000)

25. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Expiry date:		
Between 2 and 5 years	4,914	-

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NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted in accordance with the Academy's financial regulations and normal procurement procedures.

27. MEMBERS' LIABILITY

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