

BRAMPTON MANOR ACADEMY

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

MONDAY



A2NURDM8

A38

23/12/2013

#103

COMPANIES HOUSE

BRAMPTON MANOR ACADEMY

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Directors and Advisers	1
Directors' Report	2 - 8
Governance Statement	9 - 10
Statement on Regularity, Propriety and Compliance	11
Directors' Responsibilities Statement	12
Independent Auditors' Report	13 - 14
Independent Reporting Accountant's Assurance Report on Regularity	15 - 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20 - 33

BRAMPTON MANOR ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2013

Directors	Marion Faust, Chair of Governors ¹ Nigel D'Vaz, Vice Chair of Governors ¹ Dayo Olukoshi ¹ Pawan Dovedi Mohammed Rahman ¹ Graham Glass (deceased 29 July 2013) ¹ Kamran Hye ¹ Maureen Ledeatte ¹ Nawaz Ahmad ¹ Nirmal Singh Lotay Paul Roy ¹ Member of the Finance, Premises and Staffing committee
Company registered number	07540236
Principal and registered office	Brampton Manor Academy Roman Road East Ham E6 3SQ
Company secretary	Browne Jacobson
Chief executive officer	Dayo Olukoshi
Senior management team	Dayo Olukoshi, Principal Petter Whittle, Vice Principal Fiona O'Brien, Assistant Principal Mohammed Rahman, Assistant Principal Antony Twyman, Assistant Principal Russell Smith, Assistant Principal Stuart Roberts, Assistant Principal Andrew Finn, Assistant Principal Tabitha Kaiser, Assistant Principal
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds TSB 14 High Street South East Ham London E6 2HN
Solicitors	Browne Jacobson 6th Floor 77 Gracechurch Street London EC3V 0AS
Surveyors	Kemsley LLP 113 New London Road Chelmsford Essex CM2 0QT

BRAMPTON MANOR ACADEMY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Brampton Manor Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Brampton Manor Academy. The terms Trustee, Director and Governor are interchangeable.

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

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the 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.

Governors' indemnities

Governors are covered by indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Such indemnity will not apply to any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not, nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

Principal activities

To advance for the public benefit education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The Academy was constituted as an 11-16 school for the year to 31 August 2012, however, a new sixth form opened on 1st September 2012 and the Academy is now an 11-18 school.

Method of recruitment and appointment or election of governors

- Parent Governors are appointed by election of parents of students attending the academy
- Staff governors are appointed by election of staff employed by the academy
- Community Governors may be appointed by the governing body
- Co-Opted Governors may be appointed by those governors who are not themselves co-opted governors
- Members' governors may be appointed directly by members
- The Principal automatically becomes an ex-officio governor
- Further governors may be appointed by the Secretary of State

Policies and procedures adopted for the induction and training of governors

During the year a bespoke training session on academy governance and academy governors' responsibilities was delivered at the academy.

As there are only normally a handful (one or two) new governors in a year - and as the backgrounds of individual governors differs hugely - induction tends to be informal and to be tailored to the needs of the individual. Where necessary, training will be provided on training on educational legal and financial matters. All new governors will be given a tour of the academy and the chance to meet with staff and students.

All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

BRAMPTON MANOR ACADEMY

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Organisational structure

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments

The full governing body delegates certain of its functions to two committees the Finance, Premises and Staffing Committee, and the Pupil, Parent and Curriculum Committee. These meetings are also attended by relevant members of the academy's Senior Leadership Team (SLT). The governing body notes the requirement in the new Academies Financial Handbook to delegate certain of its functions to an audit committee, such a structure will be implemented early in the new financial year.

The Principal is an ex-officio governor and member of the trust, and is the Accounting Officer. The Principal directly line-manages the members of the SLT, which comprises a Vice Principal, six Assistant Principals, and the Director of Finance & Administration. As a group, the SLT are responsible for the day-to-day operation of the academy – in particular, organising the teaching staff, facilities and students.

Risk management

The academy maintains a Risk Register identifying the major risks to which the Academy Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Finance, Premises and Staffing Committee. The principal risks facing the academy at a contextual level are outlined below in the Principal risks and uncertainties section, those facing the academy at an operational level are addressed by its systems and by internal financial and other controls, for further details, see the Statement of Internal Control below.

The trustees report that the academy's financial and internal controls conform to guidelines issued by the Charity Commission, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

Statement on the system of internal finance control

As governors, the Trustees acknowledge that they have overall responsibility for ensuring that the Academy has an effective and appropriate system of control (financial and otherwise), in particular:

- For keeping proper accounting records which show the financial position of the Academy
- For safeguarding the Assets of the Academy
- For Taking reasonable steps for the prevention and detection of fraud other irregularities
- For Ensuring that the Academy complies with relevant laws and regulations

The internal controls comprise the following:

- Budget authorisation and monitoring procedures
- Approval of reconciliations
- Purchasing guidelines and constraints, including Trustees' approval of major expenditure programmes
- Segregation of duties and multiple authorisation for payments
- Identification and management of risks
- Independent checks (by the Responsible Officer and external auditor)

The governors have decided not to appoint an internal auditor as part of its own staff, and have appointed CEFM to act as an independent Internal Auditor (IA). The IA's role includes giving advice on financial matters and performing a range of checks on the Academy's financial system. The IA has not found any material weaknesses in internal controls, where the IA has seen fit to make recommendations, they have been implemented.

Connected organisations, including related party relationships

The academy does not have a sponsor and is not related to any other charitable trust or other party.

The Academy's Chair of Governors is Chief Executive of Newham Education & Business Partnership, with whom the Academy contracts in order to deliver its work experience and Boss Day programmes. The Chair recuses herself from any involvement in discussions pertaining to the academy's relationship with NEBP, the remaining members and governors are satisfied that NEBP's services and expertise in this area – as attested by similar relationships existing with all other similar schools in Newham – make this relationship beneficial to the academy's interests.

BRAMPTON MANOR ACADEMY

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Brampton Manor Academy to provide education for pupils of different abilities between the ages of 11 and 18

Objectives

The governing body had the following main objectives for the year ended 31st August 2013 -

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To continue to raise the standard of educational achievement of all pupils and thereby to maintain the academy's local and national reputation
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness
- To consolidate the academy's newly-acquired academy status and to continue to take advantage of academy freedoms to improve working practices and outcomes for all stakeholders
- To become a DfE approved Academy Sponsor
- To become a National Support School

Strategies and activities

In keeping with its objectives for the period, the main activities provided by the academy included

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training opportunities for all staff, and especially teaching staff
- Secondments and placing of students with industrial and commercial partners
- A programme of sporting and after-school leisure activities for all students
- A careers advisory service to help students obtain employment or move on to higher education
- The operation of accounting and other administrative systems, and buildings and grounds maintenance regimes
- Providing Academy Sponsor business plan to the DfE
- Submitting an application to the National College of Teaching Leadership (NCTL) to become a National Support School

Public benefit

The governors of the Academy Trust have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission

The Academy has operated in accordance with its funding agreement as a non-charging, not-for-profit organisation throughout the period in question. Pupil admissions to the academy have been conducted in accordance with the London Borough of Newham admissions policy

Achievements and performance

The academy measures its success partly through a series of performance indicators. These indicators comprise

- Academy popularity/admissions
- Public examination results and other indicators of student progress
- Ofsted inspection judgements
- Staff and department performance monitoring
- Financial Health
- Stakeholder survey outcomes

The Academy is the most oversubscribed school in Newham and admission number to year 7 has been increased from 300 to 320. Our sixth form is academically selective and the numbers of students choosing as their post-16 provider has increased from 83 in 2012 to 100 in 2013.

BRAMPTON MANOR ACADEMY

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

GCSE examination results for 2013 were very pleasing

- A record 75% of students achieved 5 grades A*-C including English & Maths, this was the highest result in the borough and represents a 2% improvement on our 2012 results of 73%
- The percentage of students that made the expected levels of progress (i.e. from KS2 to KS4) in English and Maths was 95% and 83% respectively. Both figures are significantly above the national and Newham averages
- The percentage of students that achieved the English Baccalaureate is an impressive 41% up from 39% in 2012 and much higher than both the national and Newham averages
- Value-added data shows that we remain in the top 1% of all schools nationally for student progress from KS2 to KS4

GCE AS Results for 2013 were very impressive

- 57% of all the grades awarded were A-B
 - 79% of all the grades awarded were A-C
 - 30% of the grades awarded were 'A'
- We believe that this is the best AS result in the region. It is our first set of A level results and we are confident that the students will go on to achieve impressive A2 grades and secure admission to prestigious universities

To ensure standards are continually raised, the Academy

- Operates a programme of observations of lessons, these reviews broadly indicate a high quality of teaching and learning
- Operates a programme of learning area reviews, these reviews broadly indicate a good level of departmental performance, with many judged to be outstanding
- Operates a programme of staff performance reviews, these reviews broadly indicate a high level of staff performance
- Has appointed a number of lead teachers to act as coaches/mentors to other teachers in the school
- Tracks and tackles underachievement as indicated by a number of measures (for example, by subject, class, student)
- Employs an External Adviser (a former SIP, Headteacher and Ofsted Inspector) to advise the Governing Body on Principal's appraisal and target setting

In June 2012, we were graded outstanding in all categories by Ofsted. More recently, we have been recognised as a 'Leading Edge' school by the Specialist Schools and Academies Network (SSAN). We have also been designated a National Support School (NSS) by the National College of Teaching Leadership (NCTL) and the DfE have approved our application and business plan to become an Academy Sponsor. The Mayor of London, has recently written to us to become a member of the Gold Club of schools in recognition of our exemplary record in closing the gap in attainment between pupils in receipt of the pupil premium and other students. Our Principal, Dr Olukoshi, has been designated a National Leader of Education (NLE), the only secondary head with this status in Newham.

Stakeholder surveys suggest that

- Students feel safe and happy at school, and are generally positive about their educational experience
- Parents welcome the academy's success and approve of its plans and objectives
- Staff greatly welcome the academy's plan to become a multi-academy trust, and approve in general of the academy's plans and objectives

Graham Glass

Governors wish to express their deep sorrow at the untimely death of Graham. As Director of Finance and Administration, Graham helped to set up the accounting system at the school. He was an extremely hard working colleague and his contributions to the Academy were invaluable.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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 Statement of Accounting Policies.

BRAMPTON MANOR ACADEMY

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Financial review

Financial report for the year

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 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2013, total expenditure (including transfers to fixed assets) of £11,193,868 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,156,563, which is considered to be adequate.

Financial position

The Academy held fund balances at 31 August 2013 of £19,913,649 comprising the following:

- £1,141,125 of restricted GAG funds,
- £1,156,563 of unrestricted general funds,
- a pension reserve deficit of £2,401,000,
- a restricted fixed asset fund of £20,016,961

The academy is currently paying LGPS contributions at a rate sufficient to recover the deficit over a period of 10 years.

At 31 August 2013 the net book value of fixed assets was £20,016,961 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.

Reserves policy

The governors review the cash and free 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 that the appropriate level of cash reserves should be maintained so as to provide sufficient working capital to cover delays between spending and receipt of grants so as to be able to meet salary obligations, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In cash balance terms, this is interpreted as maintaining a balance of £500k.
- The academy's year-end level of free reserves (total funds less the amount held in fixed assets and non GAG restricted funds) is £2,297,688 and the cash balance is £2,606,517, each balance is more than adequate.
- The governors are also mindful of ongoing discussions regarding future Academy development plans, and have therefore determined that the levels of cash and free reserves should not be allowed to fall below this level for the immediate future.

It should be noted that the Academy is carrying forward a deficit on the Pension Fund. The deficit on the pension fund does not mean that an immediate liability crystallises, the deficit results in a cash flow effect for the academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit.

In the 2013-14 financial year, this policy will be reassessed based upon the buildings and grounds maintenance and improvements programme, along with any bids made to the Academies Capital Maintenance and other Funds.

BRAMPTON MANOR ACADEMY

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Investment Policy

The Academy Trust has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash in a mixture of liquid and longer-term investments, such that its cash balances and liquid investments at least equal the figure outlined in the Reserves Policy. Amounts over this figure may be invested in longer-term investments. However, given ongoing discussions regarding the academy's future building plans, it is not envisaged that the academy should invest in any investment with a redemption period exceeding 12 months.

In the 2013-14 financial year, this policy will be revised when more details of the academy's building plans and the potential need to make stage payments are known.

Financial and risk management objectives and policies

Principal risks and uncertainties

The trustees assess the principal risks and uncertainties facing the academy as follows:

- Staff retention: possibly the biggest single risk to the academy would lie in its failure to retain key staff – in particular, the Principal. However, it is not felt that there are any immediate threats in this regard, and that recent and current developments such as the conversion to academy status and the development of a sixth form will aid retention.
- Material decrease in income affecting provision: highly unlikely. The budget for 2012-13 is sound, and the longer-term financial plan shows considerable contingency against unwelcome future developments. It is highly likely that other similar institutions would be worse affected than Brampton Manor.
- Falling rolls: highly unlikely. Initial response to the school's conversion to academy status has showed no diminution in student and parental enthusiasm. The school/academy has been oversubscribed for many years and there is every sign of this continuing. In fact the academy's increased control over its admissions has led to efficiencies and optimisation of its roll.
- In the longer-term, the revenue impact of introducing a 6th Form will need to be monitored. The academy business plan showed minor losses in years 1 and 2 of the 6th form operation, followed by a medium and long-term positive position; the projection at the time of the sixth form's opening bears out those projections. If there were to be a continued failure to recruit target numbers – which in itself is unlikely – academy costs could be reduced to compensate.
- Staff recruitment: conversion to academy status has not affected the attractiveness of the academy to potential new staff, with each vacancy having received a flood of applications.
- Bank balances & investments: there is no significant risk other than an institution ceasing to trade. The academy is therefore seeking to spread its investment over a number of solid and government-backed institutions.
- Debtors: there are no material debtors.
- The academy's credit rating is not in jeopardy, though it has no need for credit facilities.
- The academy's cashflow is healthy and long-term financial planning predicts it will remain so.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students at all levels, and will attempt to maintain its recent progress in ensuring the number of students on roll properly reflects the demand for places.

The Academy is conscious of the numbers of students and parents who are unable to get into the academy every year. Accordingly, we are currently considering our options with regard to increasing our admission number in order to be able to accommodate the increasing demands from parents. This would entail more building work, along with potential bids to the Academies' Capital Maintenance Fund. At this point, however, plans are at an early stage.

The Academy also plans to continue to improve its recreational spaces for existing students, and to offer substantially improved facilities for outdoor dining. We will also be improving the landscaping of the playgrounds and school frontage to improve the overall aesthetic.

Following our approval to become an academy sponsor by the DfE, we have just concluded consultation with our stakeholders on becoming a multi-academy trust. The Secretary of State has given an in-principle agreement (by way of an academy order) for us to sponsor Langdon School to become an academy from 1 January 2014. We have consulted extensively with stakeholders at both schools and the feedback has been overwhelmingly positive. Legal work is progressing to ensure that everything goes smoothly. There would be changes in the governance arrangements and the new employer of staff would be called the 'Brampton Manor Trust'.

BRAMPTON MANOR ACADEMY

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

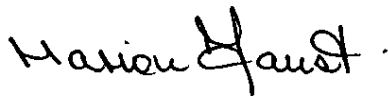
Auditor

In so far as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The auditors, Price Bailey, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

The report of the governors was approved by the governors on 5 December 2013 and signed on their behalf by



Mrs M Faust
Chair of Governors

BRAMPTON MANOR ACADEMY

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of governors 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 Brampton Manor Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Directors' Responsibilities Statement. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Director	Meetings attended	Out of a possible
Marion Faust	4	4
Nigel D'Vaz	3	4
Dayo Olukoshi	4	4
Mohammed Rahman	4	4
Graham Glass	4	4
Kamran Hye	0	4
Maureen Ledeatte	3	4
Nawaz Ahmad	4	4
Pawan Dovedi	2	4
Nirmal Singh Lotay	3	4
Paul Roy	2	4

The **Finance, Premises and Staffing Committee** is also a sub-committee of the main board of governors. Its purpose is to address financial matters.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Marion Faust, Chair of Governors	6	6
Nigel D'Vaz	6	6
Dayo Olukoshi	6	6
Graham Glass	6	6
Mohammed Rahman	6	6
Kamran Hye	1	6
Nawaz Ahmad	6	6
Maureen Ledeatte	4	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brampton Manor Academy for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

BRAMPTON MANOR ACADEMY

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of governors 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 governors 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 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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 governors,
- regular reviews by the Finance, Premises and Staffing Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The board of governors has considered the need for a specific internal audit function and has decided to appoint CEFM as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

The internal auditor has delivered a schedule of works as planned and no material control issues were identified.

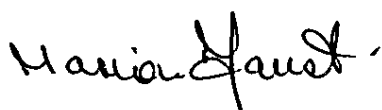
REVIEW OF EFFECTIVENESS

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 auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Staffing Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 5 December 2013 and signed on their behalf, by



Marion Faust
Chair of Governors



Dayo Olukoshi
Accounting Officer

BRAMPTON MANOR ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Brampton Manor Academy I have considered my responsibility to notify the academy board of governors 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 (2012)

I confirm that I and the academy board of governors 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 (2012)

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



Dayo Olukoshi
Accounting Officer

BRAMPTON MANOR ACADEMY

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

The Directors (who act as governors of Brampton Manor Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, United Kingdom Accounting Standards (UKGAAP) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of governors on 5 December 2013 and signed on its behalf by



Marion Faust
Chair of Governors

BRAMPTON MANOR ACADEMY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMPTON MANOR ACADEMY

We have audited the financial statements of Brampton Manor Academy for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the directors of the academy 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.

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 Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRAMPTON MANOR ACADEMY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMPTON MANOR ACADEMY

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
18 December 2013

BRAMPTON MANOR ACADEMY

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRAMPTON MANOR ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 August 2013 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 Brampton Manor Academy during the year 1 September 2012 to 31 August 2013 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 Brampton Manor Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brampton Manor Academy 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 Brampton Manor Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BRAMPTON MANOR ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Brampton Manor Academy's funding agreement with the Secretary of State for Education dated 31 March 2011, 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 2012 to 31 August 2013 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 to our conclusion includes

- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
- Discussions with and representations from the Accounting Officer and other Key management personnel
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate

BRAMPTON MANOR ACADEMY

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRAMPTON MANOR ACADEMY 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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

18 December 2013

BRAMPTON MANOR ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	520	35,538	-	36,058	113,683
Activities for generating funds	3	40,274	-	-	40,274	205,557
Investment income	4	2,495	-	-	2,495	12,139
Incoming resources from charitable activities	5	317,531	11,815,247	28,713	12,161,491	11,272,961
TOTAL INCOMING RESOURCES		360,820	11,850,785	28,713	12,240,318	11,604,340
RESOURCES EXPENDED						
Charitable activities	8	17,246	10,851,714	314,308	11,183,268	9,098,012
Governance costs	7	-	10,600	-	10,600	24,240
TOTAL RESOURCES EXPENDED	6	17,246	10,862,314	314,308	11,193,868	9,122,252
NET INCOMING RESOURCES BEFORE TRANSFERS		343,574	988,471	(285,595)	1,046,450	2,482,088
Transfers between funds	16	-	(498,265)	498,265	-	-
NET INCOME FOR THE YEAR		343,574	490,206	212,670	1,046,450	2,482,088
Actuarial gains and losses on defined benefit pension schemes		-	(89,000)	-	(89,000)	(532,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		343,574	401,206	212,670	957,450	1,950,088
Total funds at 1 September 2012		812,989	(1,661,081)	19,804,291	18,956,199	17,006,111
TOTAL FUNDS AT 31 AUGUST 2013		1,156,563	(1,259,875)	20,016,961	19,913,649	18,956,199

All activities relate to continuing operations

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

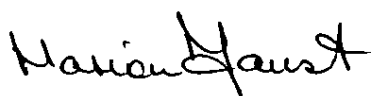
The notes on pages 20 to 33 form part of these financial statements

BRAMPTON MANOR ACADEMY
REGISTERED NUMBER 07540236

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		20,016,961		19,776,058
CURRENT ASSETS					
Debtors	14	748,821		745,963	
Cash at bank and in hand		2,606,517		1,363,166	
		<u>3,355,338</u>		<u>2,109,129</u>	
CREDITORS amounts falling due within one year	15	(1,057,650)		(661,988)	
NET CURRENT ASSETS			2,297,688		1,447,141
TOTAL ASSETS LESS CURRENT LIABILITIES			22,314,649		21,223,199
Defined benefit pension scheme liability	20	(2,401,000)		(2,267,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>19,913,649</u>		<u>18,956,199</u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	16	1,141,125		605,919	
Pension reserve	16	(2,401,000)		(2,267,000)	
Restricted fixed asset funds	16	<u>20,016,961</u>		<u>19,804,291</u>	
Total restricted funds			18,757,086		18,143,210
Unrestricted funds	16		<u>1,156,563</u>		<u>812,989</u>
TOTAL FUNDS			<u>19,913,649</u>		<u>18,956,199</u>

The financial statements were approved by the Directors, and authorised for issue, on 5 December 2013 and are signed on their behalf, by



Marion Faust
Chair of Trustees

The notes on pages 20 to 33 form part of these financial statements

BRAMPTON MANOR ACADEMY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	18	1,767,354	2,486,337
Returns on investments and servicing of finance - interest received		2,495	12,139
Capital expenditure		(526,498)	(2,101,227)
INCREASE IN CASH IN THE YEAR		1,243,351	397,249

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013**

	2013 £	2012 £
Increase in cash in the year	1,243,351	397,249
MOVEMENT IN NET FUNDS IN THE YEAR	1,243,351	397,249
Net funds at 1 September 2012	1,363,166	965,917
NET FUNDS AT 31 AUGUST 2013	2,606,517	1,363,166

The notes on pages 20 to 33 form part of these financial statements

BRAMPTON MANOR ACADEMY

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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 Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE 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 DfE.

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.

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

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.

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.

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 Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Directors 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 Directors 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.

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

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:

L/Term Leasehold Property	-	Over the term of the lease
Motor vehicles	-	10 years straight line
Fixtures, fittings and equipment	-	3 - 15 years straight line
Other fixed assets	-	20-50 years straight line

Classroom furniture received on conversion to academy status is not depreciated as all future purchases will not be capitalised and the current value reported in the financial statement does not represent a material difference between the cost of replacements and the carrying value on the balance sheet. Long term leasehold property is valued at depreciated replacement cost.

1.7 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.

1.8 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 20, 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.

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

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.

2. OTHER VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	520	35,538	36,058	113,683

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Vending and catering income	15,602	-	15,602	14,740
Lettings income	8,825	-	8,825	9,717
Other income	15,847	-	15,847	181,100
	40,274	-	40,274	205,557

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Bank interest	2,495	-	2,495	12,139

BRAMPTON MANOR ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	10,559,113	10,559,113	10,104,603
Other DfE / EFA grants	-	946,968	946,968	764,446
	<u>-</u>	<u>11,506,081</u>	<u>11,506,081</u>	<u>10,869,049</u>
Other government grants				
Local authority grants	317,530	337,879	655,409	403,911
	<u>317,530</u>	<u>337,879</u>	<u>655,409</u>	<u>403,911</u>
	<u>317,530</u>	<u>11,843,960</u>	<u>12,161,490</u>	<u>11,272,960</u>

6 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Provision of Education - direct costs	6,108,803	-	1,481,823	7,590,626	9,098,012
Allocated support costs	828,557	1,806,555	957,530	3,592,642	2,602,677
Charitable activities	<u>6,937,360</u>	<u>1,806,555</u>	<u>2,439,353</u>	<u>11,183,268</u>	<u>11,700,689</u>
Governance	<u>-</u>	<u>-</u>	<u>10,600</u>	<u>10,600</u>	<u>24,240</u>
	<u>6,937,360</u>	<u>1,806,555</u>	<u>2,449,953</u>	<u>11,193,868</u>	<u>11,724,929</u>

7 GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	6,500	6,500	6,500
Auditors' non audit costs	-	3,350	3,350	3,740
Legal and professional	-	750	750	-
Support wages and salaries	-	-	-	14,000
	<u>-</u>	<u>10,600</u>	<u>10,600</u>	<u>24,240</u>

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

8 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DIRECT COSTS				
Wages and salaries	-	5,073,353	5,073,353	4,453,639
National insurance	-	421,571	421,571	395,481
Pension cost	-	613,879	613,879	572,592
Depreciation	-	285,595	285,595	217,246
Educational supplies	-	730,230	730,230	388,204
Examination fees	-	162,070	162,070	150,455
Staff development	-	12,357	12,357	7,893
Educational consultancy	-	2,339	2,339	11,406
Travel & subsistence	-	21,856	21,856	19,978
Supply teaching	-	210,219	210,219	192,440
Student bursaries	-	57,157	57,157	-
	-	7,590,626	7,590,626	6,409,334
SUPPORT COSTS				
Wages and salaries	-	662,329	662,329	640,612
National insurance	-	39,668	39,668	45,664
Pension cost	-	126,560	126,560	104,793
FRS 17 adjustment	-	78,000	78,000	86,000
Technology costs	-	358,778	358,778	283,829
Other professional services	-	50,904	50,904	78,774
Other costs	-	108,391	108,391	116,285
Recruitment & support	-	37,453	37,453	84,376
Maintenance of premises & machinery	-	1,005,394	1,005,394	356,090
Cleaning	-	171,701	171,701	101,190
Rates	-	45,308	45,308	155,245
Energy	-	175,495	175,495	136,978
Insurance	-	79,811	79,811	82,824
Security	-	95,377	95,377	33,023
Catering	17,246	335,893	353,139	226,981
Telephone	-	45,886	45,886	45,036
Printing, postage and stationary	-	158,448	158,448	110,977
	17,246	3,575,396	3,592,642	2,688,677
	17,246	11,166,022	11,183,268	9,098,011

9. NET INCOMING RESOURCES

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the academy	285,595	217,246
Auditors' remuneration	6,500	6,500
Auditors' remuneration - non-audit	3,350	3,740

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

10. STAFF COSTS

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	5,632,605	5,108,251
Social security costs	461,240	441,145
Other pension costs (Note 20)	740,439	677,384
	<u>6,834,284</u>	<u>6,226,780</u>
Supply teacher costs	210,219	192,440
Compensation payments	103,077	-
	<u>7,147,580</u>	<u>6,419,220</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

	2013 No	2012 No
Teachers	100	91
Administration & Support	56	65
Management	10	9
	<u>166</u>	<u>165</u>

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

	2013 No	2012 No
In the band £ 60,001 - £ 70,000	5	4
In the band £ 70,001 - £ 80,000	3	1
In the band £ 80,001 - £ 90,000	1	1
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0
	<u>10</u>	<u>7</u>

Nine of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £93,213 (2012 - £73,366). The other employee participated in the Local Government's Pension scheme, pension contributions for this employee amounted to £22,227 (2012 - £nil).

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

11 GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Directors (2012 - 3) in respect of defined benefit pension schemes

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

	2013 £	2012 £
Graham Glass	60,000-65,000	55,000-60,000
Mohammed Rahman	65,000-70,000	60,000-65,000
Dayo Olukoshi	115,000-120,000	105,000-110,000

During the year, no Directors received any reimbursement of expenses (2012 - £nil)

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2013 is included within the total insurance costs

13 TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Leasehold improvement £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 September 2012	17,118,009	2,098,883	30,800	959,656	20,207,348
Additions	-	387,139	-	139,359	526,498
At 31 August 2013	17,118,009	2,486,022	30,800	1,099,015	20,733,846
Depreciation					
At 1 September 2012	273,888	18,704	7,233	131,465	431,290
Charge for the year	136,944	55,976	3,533	89,142	285,595
At 31 August 2013	410,832	74,680	10,766	220,607	716,885
Net book value					
At 31 August 2013	16,707,177	2,411,342	20,034	878,408	20,016,961
At 31 August 2012	16,844,121	2,080,179	23,567	828,191	19,776,058

BRAMPTON MANOR ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

14 DEBTORS

	2013 £	2012 £
Other debtors	253,572	72,295
Prepayments and accrued income	495,249	673,668
	<u>748,821</u>	<u>745,963</u>

15 CREDITORS

Amounts falling due within one year

	2013 £	2012 £
Trade creditors	345,186	206,287
Other taxation and social security	153,059	135,044
Other creditors	1,724	-
Accruals and deferred income	557,681	320,657
	<u>1,057,650</u>	<u>661,988</u>

Deferred income

Deferred income at 1 September 2012	174,186
Resources deferred during the year	128,857
Amounts released from previous years	<u>(174,186)</u>
Deferred income at 31 August 2013	<u>128,857</u>

Resources deferred during the year relate to capital income and SEN funding received in advance of the academic year 2013/14

16 STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
General funds - all funds	812,989	360,820	(17,246)	-	-	1,156,563
Restricted funds						
General annual grant (GAG)	589,964	10,559,113	(9,509,687)	(498,265)	-	1,141,125
Pension reserve	(2,267,000)	-	(45,000)	-	(89,000)	(2,401,000)
Restricted Trips	-	35,538	(35,538)	-	-	-
Other government grants	15,955	306,620	(322,575)	-	-	-
Other DfE and EFA grants	-	862,760	(862,760)	-	-	-
Other restricted funds	-	86,754	(86,754)	-	-	-
	<u>(1,661,081)</u>	<u>11,850,785</u>	<u>(10,862,314)</u>	<u>(498,265)</u>	<u>(89,000)</u>	<u>(1,259,875)</u>

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

16 STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
Restricted fixed asset fund	19,804,291	-	(285,595)	498,265	-	20,016,961
Devolved formula capital	-	28,713	(28,713)	-	-	-
	<u>19,804,291</u>	<u>28,713</u>	<u>(314,308)</u>	<u>498,265</u>	<u>-</u>	<u>20,016,961</u>
Total restricted funds	<u>18,143,210</u>	<u>11,879,498</u>	<u>(11,176,622)</u>	<u>-</u>	<u>(89,000)</u>	<u>18,757,086</u>
Total of funds	<u>18,956,199</u>	<u>12,240,318</u>	<u>(11,193,868)</u>	<u>-</u>	<u>(89,000)</u>	<u>19,913,649</u>

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

General Annual Grant (GAG)

The general fund covers all expenditure for furthering pupil education

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme as a small admitted body

Restricted trips

This represents contributions made by parents to the running of educational visits for the pupils of the academy trust and the associated costs of running the trips

Other government grants

This represents various small grants from local and national government bodies for the provision of specific services to pupils of the academy trust

Other DfE/EFA grants

This fund covers grants of a specific nature for furthering pupil education

Other restricted funds

This represents donations made to the academy by parents and local community members for specific purposes that have been stipulated by the donor

Transfers

Transfers made to the restricted fixed asset fund represent the cost of fixed assets purchased from restricted funds

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

BRAMPTON MANOR ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/(Losses) £	Earned forward £
General funds	812,989	360,820	(17,246)	-	-	1,156,563
Restricted funds	(1,661,081)	11,850,785	(10,862,314)	(498,265)	(89,000)	(1,259,875)
Restricted fixed asset funds	19,804,291	28,713	(314,308)	498,265	-	20,016,961
	<u>18,956,199</u>	<u>12,240,318</u>	<u>(11,193,868)</u>	<u>-</u>	<u>(89,000)</u>	<u>19,913,649</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	20,016,961	20,016,961	19,776,060
Current assets	1,400,616	1,954,722	-	3,355,338	2,109,128
Creditors due within one year	(244,053)	(813,597)	-	(1,057,650)	(661,989)
Provisions for liabilities and charges	-	(2,401,000)	-	(2,401,000)	(2,267,000)
	<u>1,156,563</u>	<u>(1,259,875)</u>	<u>20,016,961</u>	<u>19,913,649</u>	<u>18,956,199</u>

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before revaluations	1,046,450	2,482,088
Returns on investments and servicing of finance	(2,495)	(12,139)
Loss on disposal of fixed assets	-	11,855
Depreciation of tangible fixed assets	285,595	217,246
(Increase)/decrease in debtors	(2,858)	150,043
Increase/(decrease) in creditors	395,662	(305,094)
Increase in LGPS deficit	-	556,000
FRS 17 adjustments	45,000	(532,000)
Fixed assets donated	-	(81,662)
Net cash inflow from operations	<u>1,767,354</u>	<u>2,486,337</u>

19 ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	1,363,166	1,243,351	-	2,606,517
Net funds	<u>1,363,166</u>	<u>1,243,351</u>	<u>-</u>	<u>2,606,517</u>

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

20 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 the London Borough of Newham 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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

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

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth was assumed to be 1.5% The assumed gross rate of return was 6.5% From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below Scheme valuations therefore remain suspended The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

20. 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 2013 was £250,963, of which employer's contributions totalled £210,330 and employees' contributions totalled £40,633. The agreed contribution rates for future years are 34.2% for employers and 5.9% - 7.2% 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 LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(3,678,000)	(3,182,000)
Fair value of scheme assets	1,277,000	915,000
Net liability	<u>(2,401,000)</u>	<u>(2,267,000)</u>

BRAMPTON MANOR ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

20 PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows

	2013 £	2012 £
Interest on obligation	(128,000)	(131,000)
Expected return on scheme assets	50,000	45,000
	<hr/>	<hr/>
Total	(78,000)	(86,000)
	<hr/>	<hr/>

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

	2013 £	2012 £
Opening defined benefit obligation	3,182,000	2,335,000
Interest cost	128,000	131,000
Contributions by scheme participants	42,000	41,000
Actuarial Losses	185,000	527,000
Benefits paid	(51,000)	-
Current service cost	192,000	148,000
	<hr/>	<hr/>
Closing defined benefit obligation	3,678,000	3,182,000
	<hr/>	<hr/>

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

	2013 £	2012 £
Opening fair value of scheme assets	915,000	624,000
Expected return on assets	50,000	45,000
Actuarial gains and (losses)	96,000	(5,000)
Contributions by employer	225,000	210,000
Contributions by employees	42,000	41,000
Estimated benefits paid	(51,000)	-
	<hr/>	<hr/>
	1,277,000	915,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities was £(89,000) (2012 - £(532,000))

The academy expects to contribute £225,000 to its Defined Benefit Pension Scheme in 2014

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

	2013	2012
Equities	65 00 %	63 00 %
Gilts	3 00 %	14 00 %
Other Bonds	12 00 %	1 00 %
Property	8 00 %	11 00 %
Cash	4 00 %	2 00 %
Other	8 00 %	9 00 %

BRAMPTON MANOR ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

20. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages)

	2013	2012
RPI Increases	3.70 %	2.70 %
CPI Increases	2.90 %	1.90 %
Salary Increases	5.10 %	4.10 %
Pension Increases	2.90 %	1.90 %
Discount Rate	4.70 %	3.90 %

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

	2013	2012
Retiring today		
Males	21.4	21.3 years
Females	23.7	23.6 years
Retiring in 20 years		
Males	23.4	23.3 years
Females	25.6	25.5 years

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(3,678,000)	(3,182,000)
Scheme assets	1,277,000	915,000
Deficit	(2,401,000)	(2,267,000)
Experience adjustments on scheme assets	96,000	(5,000)

21. 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 director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No material related party transactions took place during the period.