

**Barr Beacon School Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period Ended 31 August 2012**



**Company Registration Number: 07654219 (England & Wales)**

**Barr Beacon School Trust**  
**Annual Report and Financial Statements**  
**Period ended 31 August 2012**

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# **Barr Beacon School Trust**

## **Reference and Administrative Details**

**Period ended 31 August 2012**

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<b>Members (Trustees/Governors)</b>	Mr J Bench Mr S Smith Dame Maureen Brennan	(Chairman)  (Headteacher & Accounting Officer)
<b>Governors (Trustees)</b>	Cllr M Bird Mrs R Duncombe Mr K Hoey Mr D Lowbridge Ms D Park	   (Staff Governor)
<b>Company Secretary</b>	Mr C Berry	
<b>Leadership Team</b>	Miss R Beards Dame Maureen Brennan Miss L Clarke Mrs S Derham Mrs L Drakeley Mrs C Harper Mrs K Hibbs Mr P Kilvert Mr D Lowbridge Mrs L Westwood	Assistant Headteacher Headteacher Deputy Headteacher Deputy Headteacher Deputy Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Deputy Headteacher
<b>Principal and Registered Office</b>	Barr Beacon School Old Hall Lane Aldridge Walsall West Midlands WS9 0RF	
<b>Company Registration Number</b>	07654219 (England & Wales)	
<b>Independent Auditor</b>	HW Birmingham LLP Sterling House 71 St Francis Road Edgbaston Birmingham B16 8SP	
<b>Bankers</b>	Lloyds TSB 893 Old Walsall Road Perry Barr Birmingham B42 1TN	
<b>Solicitors</b>	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU	

**Barr Beacon School Trust**  
**Governors' Report**  
**Period ended 31 August 2012**

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The Governors of Barr Beacon School present their annual report together with their financial statements and auditors' report of the charitable company for the period ended 31 August 2012

**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 Charitable Company was incorporated on 1 June 2011. On 1 July 2011, Barr Beacon Language College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Charitable Company from Walsall Local Authority. These financial statements therefore cover 14 months of operations under academy trust status.

The Governors act as the Trustees for the charitable activities of Barr Beacon School Trust and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Barr Beacon School (company number 07654219).

The Governors' details 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 Indemnity**

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

A Governor may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover 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 duty which they may be guilty in relation to the Academy Trust. Provided that any such insurance shall not extend to any claim arising from 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 and provided also that any such insurance shall not 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.

The policy for Governor Indemnity is held with Zurich Municipal Ltd and the limit of this indemnity is £2,000,000 (2 Million Pounds).

**Principal Activities**

The principal activity of Barr Beacon School Trust is to provide a quality, free education for young people regardless of ability, aged 11 to 18 who are wholly or mainly drawn from the area in which the school is situated, offering them a broad and balanced curriculum.

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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#### **Method of Recruiting and Appointment or Election of Governors**

The processes for appointing or electing the various types of Governor at Barr Beacon School Trust are as follows

- 1) *Member Governors* – The Members of Barr Beacon School Trust may appoint up to one Governor save that no more than one third of the total number of individuals appointed as Governors shall be employees of the academy Trust (including the Principal)
- 2) The Principal shall be treated for all purposes as being an ex officio Governor
- 3) *Parent Governors* – The Articles of Association require that there shall be *three* Parent Governors Subject to Article 57 of the Funding Agreement the Parent Governors shall be elected by parents of registered pupils at the Academy A Parent Governor must be a parent of a pupil at the time when he/she is elected, or where this it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy Any election of a Parent Governor which is contested shall be held by secret ballot

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have the opportunity to do so by post or, if he/she prefers, by having his/her ballot paper returned to the Academy Trust by a pupil registered at the Academy

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given the opportunity to do so

The number of Parent Governors shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies

- 4) *Staff Governors* – Up to one Staff Governor is elected by the School staff

The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Governors

- 5) *Community Governors* – Up to three Community Governors may be appointed by the Governing Body The Community Governors may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is -
  - a A person who lives or works in the community served by the Academy, or
  - b A person who in the opinion of the Governing Body, is committed to the government and success of the Academy

The Governors may not appoint an employee of the Academy Trust as a Community Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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- 6) *Co-opted Governors* – the Governors may appoint up to three Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

Following their appointment/election all new Governors will receive an introduction to their role from the Chairman and Headteacher, this introduction includes a tour of the School site, the opportunity to meet other members of the Leadership Team and support from the Governors.

The Governing Body is committed to providing opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Governing Body maintains a Service Level Agreement with Walsall SERCO for Governor Training and Development Service. This Agreement allows for any or all of the members of the Governing body to attend any of the training courses provided by Walsall SERCO.

Governors with specific roles within the Governing Body are encouraged to undertake specific training.

#### **Organisational Structure**

Before conversion to academy status on 1 July 2011 Barr Beacon School was a Foundation School without a Foundation, as defined in the School Standards and Framework Act 1998. The relative autonomy of a Foundation School meant that the former Governing Body was structured to undertake similar roles to those required of the Governors of an Academy. In May 2007 the Interim Executive Board met for the first time and in the summer of 2008 the Shadow Governing Body was put in place. The Governing Body took over in January 2010. The extra responsibilities of the Governing Body of the Academies Trust have been recognised and the Governing Body is made up of 8 Governors.

At Barr Beacon School Trust the majority of roles and responsibilities of the Governing Body are dealt with at full Governing Body meetings. There are a small number of delegating committees – Staff Dismissal, Pupil Discipline, Appeals and Headteacher Appraisal. The Governors are responsible for the strategic oversight of the school. Operational management is the responsibility of the Headteacher and staff. School policies are developed by the Leadership team incorporating statutory requirements and reflecting strategic direction agreed by the Governors.

Governors formally approve and adopt policies and Leadership, together with staff, implement the agreed procedures and protocols.

During the period of incorporation until 31 August 2012 the Governing Body has met 8 times.

#### **Risk Management**

As a recently converted academy, Barr Beacon School Trust has, since 1 July 2011, been undertaking a comprehensive assessment of possible risks to the future of the academy (Risk Register).

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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The chief risks identified include -

- Changes to the Regulations on Pensions
- ICT Management and Security of Management Information System
- Changes to the Funding Formula
- Over subscription and increase in school roll
- Deficit in the Local Authority Pension Scheme and possible increase in employer's contribution rates

This risk assessment is nearing completion and will be brought before the Governors during the next academic year. Systems and procedures are being developed to manage and mitigate these risks.

#### **Connected Organisations, including Related Party Relationships**

Barr Beacon School Trust has strong connections with local universities, from whom we receive trainee teachers and there is a strong commitment to the Teach First and Future Leaders Programmes. The School Direct partnership has been signed with the University of Worcester.

During the academic year 10/11 the school provided extensive support to a school facing challenges, Sneyd School.

There were some related party relationships which are acknowledged at the Governors meetings through pecuniary interest forms and the financial transactions are disclosed in the notes to the accounts.

#### **Objectives and Activities**

##### **Objects and Aims**

The principal object and activity of the School is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balance and broad curriculum and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. The Governors confirm that they have had due regard to the Charity Commission's guidance on public benefit.

Barr Beacon School opened as an academy on 1 July 2011. The main objectives of the School for the period ended 31 August 2012 are summarised as follows -

- To provide the highest quality education for all its pupils,
- to provide value for money for the funds expended,
- to ensure that the School is suitably staffed,
- to comply with all statutory and curriculum requirements,
- to develop and maintain links with local industry and the wider community in Walsall, including working with other educational establishments,
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness.

##### **Objectives Strategies and Activities**

Barr Beacon School Trust works towards achieving goals as set out in the School Development Plan 2011 – 2012. The development plan states that 'Every pupil will achieve greater than their predicted target reinforcing our motto 'Proud to Succeed'.

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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To achieve this, the plan sets out targets against the following areas -

#### Behavior and Safety

- To improve attendance and punctuality developing positive characteristics towards learning

#### Achievements

- To focus on raising achievement and narrowing the gap between advantaged and disadvantaged pupils
- To provide access to modern apprenticeships and University
- To develop a 'can do' culture

#### Teaching

- To focus on independent learning and improving ICT across the School

#### Leadership and Management

- To focus on more effective monitoring through increased lesson observations and departmental reviews
- To extend partnerships with schools, parents, Universities and employers

The plan is reviewed annually by the leadership team and Governors. A summary of the achievements during the period ending 31 August 2012 is outlined below

### **Achievements and Performance**

In the period leading up to 31 August 2012 the following was achieved -

- The School successfully converted to Academy Status on 1 July 2011
- The new KS3/KS4 curriculum was implemented for all joiners from September 2011
- At GCSE level 80% of pupils achieved five A\* - C grades including English and Maths
- At Key Stage 5, the average point score per entry (including equivalences) for A level was 217.3, which is above the national average
- At Key Stage 5, the average point score per student (including equivalences) has increased to 783.5
- At Key Stage 4, 86% of pupils at the end of KS4 achieved the expected level of progress in English, which is well above the national average
- At Key Stage 4, 87% of Pupils at the end of KS4 achieved the expected level of progress in Maths, which is well above the national average
- In Key Stage 4, Barr Beacon School Trust was in the top 10% nationally, for 'continuous improvement'
- In Key Stage 4, Barr Beacon School Trust was in the top 10% nationally, for 'Outstanding Student Progress'
- 755 preferences for year 7 places were expressed by 31<sup>st</sup> March 2012
- The full potential of the school's iCentre was realized with the introduction of Kindles and iPads available for student research and independent learning
- Funding of £683,000 was secured in June 2012 from the Academies Capital Maintenance Fund for roofing works and the regeneration of the school catering facilities
- Completion of the first floor extension to the Creative Arts Block facilitating a new computer suite and Drama Studio



# **Barr Beacon School Trust**

## **Governors' Report *(continued)***

**Period ended 31 August 2012**

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### **Equity & Diversity Policy**

The overall objective of Barr Beacon School Trust's Equality, Diversity and Community Cohesion Policy is to provide a framework for the school to pursue its equality duties to eliminate unlawful discrimination and harassment, promote equality of opportunity, and promote good relations and positive attitudes between people of diverse backgrounds in all of its activities

The principles of this policy apply to all members of the extended school community - pupils, staff, the Governing Body, parents, volunteers and community members. Partners and contractors are also expected to abide by the policy

We will not tolerate less favourable treatment of anyone on the grounds of gender, race, disability, sexual orientation, age, and religion or belief

Through our school ethos, curriculum and community links, we will work towards -

- a common vision,
- a sense of belonging for all,
- similar life opportunities for all,
- strong and positive relationships between different communities

Equality and Diversity is more than just meeting legal obligations or targets. It's about making a difference to the lives of the communities we serve, treating all people with dignity and respect, and recognising the value of each individual. This means an on-going commitment to ensuring that our services meet the varied and individual needs of pupils in our school

### **Public Benefit**

The Governors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. The Governors have referred to the Charities Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The School continues to be at the heart of its community, promoting community cohesion and sharing facilities with the wider community

### **Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that Barr Beacon School 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

### **Key Financial Performance Indicators**

- Maintain a healthy balance
- Increase catering revenue
- Increase revenue from community budget
- Increase efficiency of energy usage
- Increase usage of local suppliers
- Increase percentage of waste recycled
- Reduce sickness/absence levels
- Continue to promote professional development of staff
- Continue to maintain a full complement of staff

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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#### **Financial Review**

The combined Restricted General Fund and Unrestricted Fund show net income resources, before the actuarial losses on defined benefit pension schemes of £10,012,110 (page 18). This operating surplus is the result of detailed and tight budgeting and budget control procedures which have been firmly embedded in the school's daily financial management.

The majority of the School's income is obtained from the Department for Education (DfE) in the form of recurrent grants. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown in the statement of financial activities.

Beacon School Trust received total income of £10,052,706, of which £8,361,219 was received from the DfE through the General Annual Grant (GAG). Other income generated totalled £1,393,102 and was made through income streams such as, other grant income, hire of facilities, the Initial Teacher Training Programme, catering income and capital income.

The School was also awarded £683,000 from the Academies Capital Maintenance Fund during the period.

As indicated above Barr Beacon School Trust generates income through the hire of facilities and services through its Leisure Centre, for the period ending 31 August 2012 this income totalled £160,193.

On conversion to Academy Status on 1 July 2011 all of the fixed assets of the former Foundation School were transferred to Barr Beacon School Trust (the new Academy Trust), we also carried forward funds inherited on conversion of £370,635.

In the period ending 31 August 2012 there was a total expenditure of £9,120,740 (note 7). Staff salaries accounted for the majority of funds expended, which totalled £6,498,137 (note 10). The expenditure associated to the operation, maintenance and upkeep of the school site and facilities for 2011/12 was over budget due to refurbishments and upgrades undertaken throughout the period totalling £845,098.

Also during the period the regeneration of catering facilities and the replacement of the Old Block roof was completed using funds secured from the Academies Capital Maintenance Fund.

Barr Beacon School Trust's support staff are entitled to membership of the Local Government Pension Scheme, the share of the deficit apportioned to Barr Beacon School Trust has been assessed at £1,178,000.

In July 2012 a valuation of the Land and buildings owned by Barr Beacon School Trust was commissioned by the Department for Education. This valuation was undertaken by DTZ using a "desktop review of information publicly available and information submitted by Academies and Local Authorities". The Valuation showed that the total depreciated replacement cost for non-land element is £7,643,058, with the total land value at £1,937,801 which gives a total valuation of £9,580,859.

The updating of and management of the asset register (note 13) shows that we have total fixed assets at cost or valuation of £10,648,062, including land and buildings with a transfer value of £9,580,859. Depreciation charges for the period total £588,422, which is calculated on the straight line depreciation method. Total net book value of assets for the period ended 31 August 2012 is £10,059,640.

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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#### **Financial Review *(continued)***

As defined in the Funding Agreement Articles of Association, no Governor is employed by or receives any remuneration from the Academy Trust other than the Headteacher and the elected Staff Governor. As defined, this clause only allows such a Governor to receive remuneration or benefit from Barr Beacon School Trust in his/her capacity as an employee of the Academy Trust.

As such the Headteacher (Ex-Officio Governor) and Assistant Headteacher (Staff Governor) receive remuneration for their roles as members of school staff only, they are not remunerated for any duties performed as Governors of the school. Their annual salaries as at 31 August 2012 for their roles as members of staff are as follows:

	<b>Salary Scale</b>	<b>Salary Range</b>
Headteacher	L37 - L43	£90,704 - £105,097
Assistant Headteacher	L12 - L16	£49,130 - £54,305

#### **Financial and Risk Management Objectives**

To support the conversion to an Academy, new accounting software was introduced to support enhanced reporting needs. At the same time, the Financial Regulations Manual was reviewed, for appropriateness, external advice was obtained to assist in the conversion process and to help identify risks for the Academy Trust, and the Statutory Advisors were appointed. The Governors have adopted the Risk Registers based around those in the Academy's Handbook that existed prior to conversion.

#### **Principal Risks and Uncertainty**

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

#### **Reserves & Investments Policy**

The Trustees in conjunction with the main Board of Governors need to review the resources of the Academy and recognise the need to have sufficient reserves to protect against reductions in funding. The reserves will be held in line with DfE guidelines. The policy will aim to carry forward sufficient funds to meet the Academy Trust's long term aims and objectives, ensuring that this does not affect its current operational activities.

Barr Beacon School Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds.

Within the period ending 31 August 2012 Barr Beacon School Trust invested a maximum of £400,000, receiving £1,705.47 interest on this investment. On July 16 2012 the School reinvested £300,000.

A new Reserves and Investment Policy will be adopted in the year 2012/13.

## **Barr Beacon School Trust**

### **Governors' Report *(continued)***

**Period ended 31 August 2012**

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#### **Plans for Future Periods**

Barr Beacon School Trust's plans for the future are to -

- Create a master plan of the school buildings to identify building changes that are needed to ensure we are fit for purpose. The master plan will prioritise any additionality and re-modelling required
- Continue to raise achievement for all pupils in Key Stage 3, 4 and 5
- Renew of the School ICT Network Servers
- Upgrade client machine software from Windows XP to Windows 8
- Refresh the remainder of computers which are currently at least 4 years old
- Continue the drive to become an outstanding school
- Continue to support identified schools which are facing challenges

#### **Funds held as Custodian Trustee on behalf of others**

There are no funds held as Custodian Trustee on behalf of others


#### **Auditor**

Insofar as the governors are aware -

- there is no relevant audit information of which Barr Beacon School Trusts 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

Approved by order of the members of the Governing Body on 18/12/

2012 and signed on its behalf by



Mr Jeremy Bench  
Chairman

# **Barr Beacon School Trust**

## **Governance Statement**

**Period ended 31 August 2012**

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### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Barr Beacon School 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 Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Barr Beacon School 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 Statement of Governors' Responsibilities. The Governing body has formally met 8 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr J Bench (Chairman)	8	8
Cllr M Bird	6	8
Dame M Brennan (Headteacher and Accounting Officer)	8	8
Mrs R Duncombe	6	8
Mr K Hoey	6	8
Mr D Lowbridge (Staff Governor)	6	8
Ms D Park	8	8
Mr S Smith	8	8

During the period ending 31 August 2012 there have been no changes to the composition of the Governing Body.

Barr Beacon School Trust does not operate a Finance and General Purposes sub-Committee.

### **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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Barr Beacon School Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

## **Barr Beacon School Trust**

### **Governance Statement *(continued)***

**Period ended 31 August 2012**

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#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Governing Body 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Graeme Hornsby of HCSS Ltd, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The report of the Responsible Officer was published in April 2012 and gave an overall opinion that –

"Barr Beacon School Trust has good systems of financial control. In keeping with other schools the conversion to academy status has led to additional work for the finance staff to identify and implement new procedures and systems. Work is in progress to produce revised documentation to meet the requirements of the Academies Financial Handbook and I am satisfied that the Finance Manager has a good understanding of what is required."

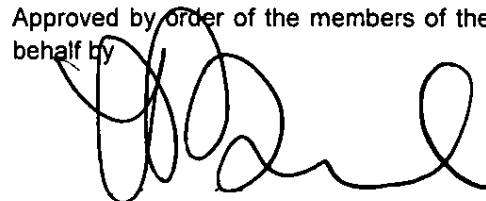
#### **Review of Effectiveness**

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of those within the academy trust who have responsibility for the development and maintenance of the internal control framework

Within the Headteacher's report's, The Accounting Officer has advised the Governing Body of the effectiveness of the system of internal control 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 18/12/2012 and signed on its behalf by



**Mr Jeremy Bench**  
**Chair**



**Dame Maureen Brennan**  
**Accounting Officer**

## **Barr Beacon School Trust**

### **Statement on Regularity, Propriety and Compliance**

**Period ended 31 August 2012**

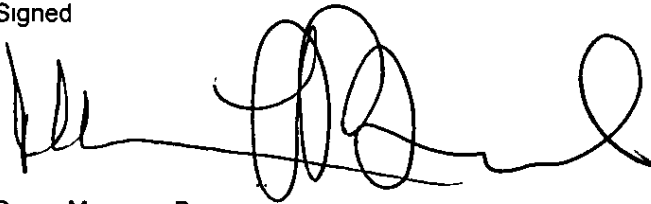
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As accounting officer of Barr Beacon School Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust 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 Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust'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.

Signed

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, representing the name Maureen Brennan.

**Dame Maureen Brennan**  
**Accounting Officer**

# **Barr Beacon School Trust**

## **Statement of Governors' Responsibilities**

**Period ended 31 August 2012**

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The Governors (who act as Trustees for charitable activities of Barr Beacon School Trust Limited and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements 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 Governors 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 governors are required to

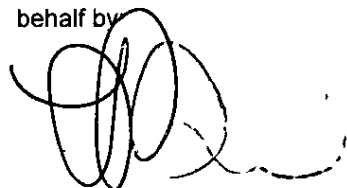
- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP),
- Make judgments and accounting estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been 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 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 Governors 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 Governors 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 Governing Body on 18/12/2012 and signed on its behalf by



Mr Jeremy Bench  
Chair



# **Barr Beacon School Trust**

## **Independent Auditor's Report to the Members of Barr Beacon School Trust**

**Period ended 31 August 2012**

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We have audited the financial statements of Barr Beacon School Trust for the period ended 31 August 2012 which comprises 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members 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 Statement of Governors' Responsibilities set out on page 15, the governors (who are also the directors of the academy trust 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 trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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 trust's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

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

## **Barr Beacon School Trust**

### **Independent Auditor's Report to the Members of Barr Beacon School Trust**

*(continued)*


**Period ended 31 August 2012**

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#### **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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Henry Briggs  
**Senior Statutory Auditor**

For and on behalf of HW Birmingham LLP  
Chartered Accountants and Statutory Auditor  
Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
B16 8SP

19 December 2012

## **Barr Beacon School Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Barr Beacon School Trust and the Education Funding Agency**

**Period ended 31 August 2012**

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In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 July 2011 to 31 August 2012 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the governing body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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.

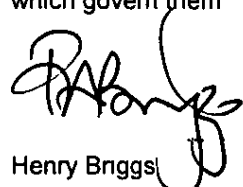
Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 July 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

#### **Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 July 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Henry Briggs  
**Senior Statutory Auditor**

For and on behalf of HW Birmingham LLP  
Chartered Accountants and Statutory Auditor  
Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
B16 8SP

19 December 2012

# Barr Beacon School Trust

## Statement of Financial Activities for the period ended 31 August 2012

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
	Note				
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	-	776,474	776,474
Transfer from local authority on conversion	28	-	(628,365)	9,708,509	9,080,144
Activities for generating funds	4	387,248	226,235	-	613,483
Investment income	5	3,145	-	-	3,145
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	-	8,659,604	-	8,659,604
<b>Total incoming resources</b>		<b>390,393</b>	<b>8,257,474</b>	<b>10,484,983</b>	<b>19,132,850</b>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
Costs of activities for generating funds	7	307,546	168,705	-	476,251
<i>Charitable activities</i>					
Academy's educational operations	8	-	7,955,743	588,422	8,544,165
<i>Governance costs</i>	9	-	100,324	-	100,324
<b>Total resources expended</b>	7	<b>307,546</b>	<b>8,224,772</b>	<b>588,422</b>	<b>9,120,740</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>82,847</b>	<b>32,702</b>	<b>9,896,561</b>	<b>10,012,110</b>
Gross transfers between funds	16	-	-	-	-
<b>Net income/(expenditure) for the year</b>		<b>82,847</b>	<b>32,702</b>	<b>9,896,561</b>	<b>10,012,110</b>
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	16, 26	-	(132,000)	-	(132,000)
<b>Net movement in funds</b>		<b>82,847</b>	<b>(99,298)</b>	<b>9,896,561</b>	<b>9,880,110</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 July 2011	16	-	-	-	-
<b>Funds carried forward at 31 August 2012</b>		<b>82,847</b>	<b>(99,298)</b>	<b>9,896,561</b>	<b>9,880,110</b>

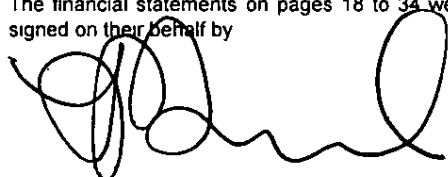
All of the Academy's activities derive from acquisitions in the current financial period

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

**Barr Beacon School Trust**  
**Balance Sheet as at 31 August 2012**

	Note	2012 £	2012 £
<b>Fixed assets</b>			
Tangible assets	13		10,059,640
<b>Current assets</b>			
Debtors	14	671,372	
Cash at bank and in hand		<u>1,173,255</u>	
		1,844,627	
<b>Creditors</b> Amounts falling due within one year	15	<u>(846,157)</u>	
<b>Net current assets</b>			<u>998,470</u>
<b>Total assets less current liabilities</b>			11,058,110
<b>Net assets excluding pension liability</b>			
Pension scheme liability	26		(1,178,000)
<b>Net assets including pension liability</b>			<u>9,880,110</u>
<b>Funds of the academy</b>			
<b>Restricted funds</b>			
Fixed asset fund(s)	16		9,896,561
General fund(s)	16		1,078,702
Pension reserve	16		<u>(1,178,000)</u>
<b>Total restricted funds</b>			9,797,263
<b>Unrestricted funds</b>	16		82,847
<b>Total funds</b>			<u>9,880,110</u>

The financial statements on pages 18 to 34 were approved by the Governors, and authorised for issue on 18/12 2012 and are signed on their behalf by



Mr Jeremy Bench  
Chair

Company Limited by Guarantee  
Registration Number 07654219

**Barr Beacon School Trust****Cash Flow Statement for the period ended 31 August 2012**

	Note	2012 £
<b>Net cash inflow from operating activities</b>	<b>20</b>	<b>1,092,990</b>
Returns on investments and servicing of finance	21	3,145
Capital expenditure	22	(163,079)
<b>Increase in cash in the period</b>		<b>933,056</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 1 July 2011		-
Cash transferred on conversion to an academy trust		240,199
<b>Net funds at 31 August 2012</b>	<b>23</b>	<b>1,173,255</b>

All of the cashflows are derived from acquisitions in the current financial period

# **Barr Beacon School Trust**

## **Notes to the Financial Statements for the period ended 31 August 2012**

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### **1 Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charities Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **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 company 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.

#### **Incoming Resources**

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

##### **Grants receivable**

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.

##### **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

##### **Donations**

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

##### **Other income**

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

##### **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross 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 Academy's policies.

#### **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**

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

##### **Charitable activities**

These are costs incurred on the Academy's educational operations.

## Barr Beacon School Trust

### Notes to the Financial Statements for the period ended 31 August 2012 (continued)

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#### 1 Accounting Policies (continued)

##### Governance Costs

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

All resources expended are inclusive of irrecoverable VAT

##### Conversion to an Academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Barr Beacon Language College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Barr Beacon School Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds as appropriate. Further details of the transaction are set out in note 28.

##### Tangible Fixed Assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	50 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis
Computer equipment	3 years straight line basis
Motor vehicles	3 years straight line basis

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

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

##### Leased Assets

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



# **Barr Beacon School Trust**

## **Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

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### **1 Accounting Policies (continued)**

#### **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.

#### **Pensions Benefits**

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 26, 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 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 until 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.

#### **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 Education Funding Agency/Department for Education or other funders 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 Education Funding Agency/Department for Education.

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 2 General Annual Grant (GAG)

	2012 £
<b>a Results and carry forward for the year</b>	
GAG brought forward from previous year	-
GAG allocation for current year	8,361,219
<b>Total GAG available to spend</b>	<b>8,361,219</b>
Recurrent expenditure from GAG	(7,831,153)
Fixed assets purchased from GAG	-
<b>GAG carried forward to next year</b>	<b>530,066</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,003,346)
<b>GAG to surrender to DfE</b>	<b>(473,280)</b>
(12% rule breached if result is positive)	no breach

### b Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year  
GAG allocation for current year  
GAG allocation from previous year x 2%  
**GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year**

(2% rule breached if result is positive)

no  
breach

### 3 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Capital grants	-	741,774	741,774
Other income	-	34,700	34,700
	-	776,474	776,474

### 4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Hire of facilities	160,193	-	160,193
Catering income	178,782	31,728	210,510
School fund income	-	178,451	178,451
Other income	48,273	16,056	64,329
	387,248	226,235	613,483

### 5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Short term deposits	125	-	125
Bank interest received	3,020	-	3,020
	3,145	-	3,145

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 6 Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<b>DfE/YPLA/EFA revenue grants</b>			
General Annual Grant (GAG) (note 2)	-	8,361,219	8,361,219
Start Up Grants	-	25,000	25,000
Other DfE/YPLA/EFA grants	-	84,935	84,935
	-	8,471,154	8,471,154
<b>Other Government grants</b>			
Local authority grants	-	2,438	2,438
Special educational projects	-	186,012	186,012
	-	188,450	188,450
	-	8,659,604	8,659,604

### 7 Resources Expended

	Staff Costs £	Non Pay Expenditure		Total 2012 £
		Premises £	Other Costs £	
<b>Costs of activities for generating funds</b>				
Hire of facilities	118,071	40,033	8,306	166,410
Catering	-	-	141,136	141,136
School fund expenditure	-	-	168,705	168,705
	118,071	40,033	318,147	476,251
<b>Academy's educational operations</b>				
Direct costs	5,915,942	588,422	331,257	6,835,621
Allocated support costs	449,986	825,726	432,832	1,708,544
	6,365,928	1,414,148	764,089	8,544,165
<b>Governance costs</b>	-	-	100,324	100,324
	6,483,999	1,454,181	1,182,560	9,120,740

The method used for the apportionment of support costs is disclosed in the accounting policies

	2012 £
<b>Incoming/outgoing resources for the year include</b>	
Operating leases	15,866
Fees payable to auditor	
Audit	5,500
Other services	500

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 8 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	5,915,942	5,915,942
Depreciation	-	588,422	588,422
Educational supplies	-	117,367	117,367
Examination fees	-	213,890	213,890
	-	6,835,621	6,835,621
<b>Allocated support costs</b>			
Support staff costs	-	449,986	449,986
Recruitment and support	-	18,312	18,312
Maintenance of premises and equipment	-	460,850	460,850
Cleaning	-	147,993	147,993
Rent, rates, heat and light	-	171,850	171,850
Insurance	-	45,033	45,033
Security and transport	-	2,989	2,989
Catering	-	37,896	37,896
Bank interest and charges	-	2,219	2,219
Pension service charge and interest costs	-	185,000	185,000
Other support costs	-	186,416	186,416
	-	1,708,544	1,708,544
	-	8,544,165	8,544,165

### 9 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	94,274	94,274
Auditor's remuneration			
Audit of financial statements	-	5,500	5,500
Accountancy, taxation and other services	-	550	550
	-	100,324	100,324

## Barr Beacon School Trust

### Notes to the Financial Statements for the period ended 31 August 2012 (continued)

#### 10 Staff Costs

2012  
£

Staff costs during the period were

Wages and salaries	6,498,137
Social security costs	762,800
Pension costs	1,056,377
	8,317,314
Compensation payments	2,467
	8,319,781

The average number of persons (including senior management team) employed by the Academy during the period, and the full time equivalents, was as follows

	2012 Number	2012 F-T Equiv
<b>Charitable Activities</b>		
Teachers	98	94
Administration and support	60	49
Management	11	11
	169	154

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

	2012 Number
£60,001 - £70,000	2
£70,001 - £80,000	2
£80,000+	1
	5

The above 5 employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2012 pension contributions for these staff amounted to £60,000

#### 11 Governors' Remuneration and Expenses

Principal and staff governors (trustee governors) only received remuneration in respect of services they provided 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 was as follows

Principal	£105,000 - £110,000
Other staff governor	£50,000 - £55,000

During the period ended 31 August 2012, there were no travel and subsistence expenses reimbursed to governors. Related party transactions involving the governors are set out in note 27

#### 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 £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,066

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

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 13 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost or Valuation</b>					
At 1 July 2011	-	-	-	-	-
Transfer on conversion	9,580,859	127,650	-	-	9,708,509
Additions	-	739,621	159,134	40,798	939,553
At 31 August 2012	<b>9,580,859</b>	<b>867,271</b>	<b>159,134</b>	<b>40,798</b>	<b>10,648,062</b>
<b>Depreciation</b>					
At 1 July 2011	-	-	-	-	-
Charged in period	178,338	377,031	17,187	15,866	588,422
At 31 August 2012	<b>178,338</b>	<b>377,031</b>	<b>17,187</b>	<b>15,866</b>	<b>588,422</b>
<b>Net book values</b>					
At 31 August 2012	<b>9,402,521</b>	<b>490,240</b>	<b>141,947</b>	<b>24,932</b>	<b>10,059,640</b>

### 14 Debtors

	2012 £
Trade debtors	11,597
Prepayments and accrued income	570,731
Other taxation and social security	84,258
Other debtors	4,786
	<b>671,372</b>

### 15 Creditors amounts falling due within one year

	2012 £
Trade creditors	278,913
Other taxation and social security	107,679
Accruals and deferred income	459,565
	<b>846,157</b>

### Deferred income

	2012 £
Deferred Income at 1 July 2011	-
Resources deferred in the year	35,619
Deferred Income at 31 August 2012	<b>35,619</b>

At the balance sheet date the academy trust was holding funds received in advance for catering for the Autumn term 2012

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 16 Funds

	Balance at 01 07 11 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 08 12 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	8,361,219	(7,831,153)	-	530,066
Start Up Grant	-	25,000	(25,000)	-	-
Other DfE/YPLA/EFA grants	-	273,385	(113,782)	-	159,603
Transfer from Local Authority on conversion	-	370,635	-	-	370,635
School fund	-	178,451	(168,705)	-	9,746
Other general funds	-	47,784	(39,132)	-	8,652
	-	9,256,474	(8,177,772)	-	1,078,702
Pension reserve	-	(999,000)	(47,000)	(132,000)	(1,178,000)
	-	8,257,474	(8,224,772)	(132,000)	(99,298)
<b>Restricted fixed asset funds</b>					
DfE/YPLA/EFA capital grants	-	741,774	(218,198)	-	523,576
Transfer from Local Authority on conversion	-	9,708,509	(354,358)	-	9,354,151
Other capital funds	-	34,700	(15,866)	-	18,834
	-	10,484,983	(588,422)	-	9,896,561
<b>Total restricted funds</b>	-	18,742,457	(8,813,194)	(132,000)	9,797,263
<b>Unrestricted funds</b>	-	390,393	(307,546)	-	82,847
<b>Total funds</b>	-	19,132,850	(9,120,740)	(132,000)	9,880,110

### 17 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Tangible fixed assets	-	10,059,640	10,059,640
Current assets	82,847	1,761,780	1,844,627
Current liabilities	-	(846,157)	(846,157)
Pension scheme liability	-	(1,178,000)	(1,178,000)
<b>Total net assets</b>	82,847	9,797,263	9,880,110

### 18 Capital commitments

There were no capital commitments contracted for but not provided in the financial statements as at 31 August 2012

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 19 Financial Commitments

#### Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

	2012 £
<b>Other</b>	
Expiring within one year	15,866
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<u>15,866</u>

### 20 Reconciliation of net income to net cash inflow from operating activities

	2012 £
Net income	10,012,110
Fixed assets transferred on conversion	(9,708,509)
Depreciation (note 13)	588,422
Capital grants from DfE/YPLA/EFA and other capital income	(776,474)
Interest receivable (note 5)	(3,145)
LA budget surplus transferred on conversion	(370,635)
Non-cash element of LA surplus transferred on conversion	130,436
FRS17 deficit transferred on conversion	999,000
FRS 17 pension cost less contributions payable (note 27)	(14,000)
FRS 17 pension finance (income)/cost (note 27)	61,000
(Increase)/decrease in debtors	(671,372)
Increase/(decrease) in creditors	846,156
<b>Net cash inflow from operating activities</b>	<u>1,092,990</u>

### 21 Returns on investments and servicing of finance

	2012 £
Interest received	3,145
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>3,145</u>

### 22 Capital expenditure and financial investment

	2012 £
Purchase of tangible fixed assets	939,553
Capital grants from DfE/YPLA/EFA	(741,774)
Capital funding received from sponsors and others	(34,700)
<b>Net cash outflow/(inflow) from capital expenditure and financial investment</b>	<u>163,079</u>

### 23 Analysis of changes in net funds

	At 01 07 11 £	Cash flows £	At 31 08 12 £
Cash in hand and at bank	-	1,173,255	1,173,255
	-	1,173,255	1,173,255



**24 Contingent Liabilities**

There were no contingent liabilities as at 31 August 2012

**25 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

**26 Pension and similar obligations**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is the West Midlands Pension Fund managed by Wolverhampton City Council 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 was 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 period

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ("SCR") is 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 investigation, 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 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently 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 the valuation date) was £163,240 million The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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 The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 26 Pension and similar obligations (continued)

#### Teachers' Pension Scheme (continued)

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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 and the implications for the academy in terms of the anticipated contribution rates.

#### Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2012 was £155,116, of which employer's contributions totalled £118,007 and employees' contributions totalled £37,109. The agreed contribution rates for future years are 15.5% for employers and between 5.5% and 7.5% for employees.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

#### Principal Actuarial Assumptions

At 31 08 12

Rate of increase in salaries	4.05%
Rate of increase for pensions in payment / inflation	2.30%
Discount rate for scheme liabilities	4.50%
Inflation assumption (CPI)	2.30%

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

At 31 08 12

<i>Retiring today</i>	
Males	22.0
Females	24.7
<i>Retiring in 20 years</i>	
Males	23.8
Females	26.6

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 08 12 £	Fair value at 31 08 12 £
Equities	54.4%	211,000
Government bonds	9.2%	36,000
Other bonds	9.9%	39,000
Property	10.1%	39,000
Cash	1.6%	6,000
Other	14.8%	58,000
<b>Total market value of assets</b>		<b>389,000</b>
<b>Present value of scheme liabilities</b>	- Funded	<b>(1,567,000)</b>
<b>Deficit in the scheme</b>		<b>(1,178,000)</b>

The actual return on scheme assets was £8,000.

# Barr Beacon School Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 26 Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2012 £
Current service cost (net of employee contributions)	124,000
Past service cost	-
<b>Total operating charge</b>	<b>124,000</b>
Expected return on pension scheme assets	23,000
Interest on pension liabilities	(84,000)
<b>Pension finance income / (costs)</b>	<b>(61,000)</b>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £15,000 loss.

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

	2012 £
<b>At 1 July 2011</b>	<b>-</b>
Current service cost	124,000
Past service cost	-
Interest cost	84,000
Employee contributions	43,000
Actuarial (gain)/loss	117,000
Curtailments and settlements	-
Benefits paid	(24,000)
Business combinations	1,223,000
<b>At 31 August 2012</b>	<b>1,567,000</b>

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

	2012 £
<b>At 1 July 2011</b>	<b>-</b>
Expected return on assets	23,000
Actuarial gain/(loss)	(15,000)
Employer contributions	138,000
Employee contributions	43,000
Assets distributed on settlements	-
Benefits / transfers paid	(24,000)
Business combinations	224,000
<b>At 31 August 2012</b>	<b>389,000</b>

The estimated value of employer contributions for the year ended 31 August 2013 is £137,674.

#### The five-year history of experience adjustments is as follows

	31 08 12 £	01 07 11 £
Present value of defined benefit obligations	(1,567,000)	-
Fair value of share of scheme assets	389,000	-
<b>Deficit in the scheme</b>	<b>(1,178,000)</b>	<b>-</b>
Experience adjustments on share of scheme assets	(15,000)	-
Experience adjustments on scheme liabilities	-	-

## Barr Beacon School Trust

### Notes to the Financial Statements for the period ended 31 August 2012 (continued)

#### 27 Related Party Transactions

There were no transactions with related parties during the period other than as disclosed in note 11 to the financial statements

#### 28 Conversion to an Academy Trust

On 1 July 2011 the Barr Beacon Language College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Barr Beacon School Trust from the Walsall Council Local Authority for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets				
Freehold / leasehold land and buildings	-	-	9,580,859	9,580,859
Other tangible fixed assets	-	-	127,650	127,650
Budget surplus on LA funds	-	370,635	-	370,635
LGPS pension deficit	-	(999,000)	-	(999,000)
<b>Net assets / (liabilities)</b>	<b>-</b>	<b>(628,365)</b>	<b>9,708,509</b>	<b>9,080,144</b>

The above net assets include £240,199 that were transferred as cash