

# REGISTRAR

COMPANY REGISTRATION NUMBER 07695419

**Fulbrook Academy**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 August 2013**



# **Fulbrook Academy Company Limited by Guarantee**

## **Financial Statements**

**Year ended 31 August 2013**

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# **Fulbrook Academy Company Limited by Guarantee**

## **Reference and Administrative Details**

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**Company Name** Fulbrook Academy

**Company Registration Number** 07695419

**Principal Office** Weathercock Lane  
Milton Keynes  
England  
MK17 8NP

**Trustees** Lindsay Smith\*  
Vincent Mulligan\*  
Michael Kitt  
Angela Evans

### **Other Trustees**

Gill Warrington – resigned 24 July 2013  
Gary Botsford\*  
Stephen Cardwell (Principal and Accounting Officer)\*  
Fiona Chapman\*  
Jane Crabbe  
Nik Hartley\*  
Sally Hartley  
Katie Jepsen – resigned 24 July 2013  
Rosemary Robson-Green\*  
Simon Thomas (Staff Governor)\*  
Fiona Bishop (Staff Governor)  
Chris Wyper – resigned 3 October 2013  
Vanessa Harris – appointed 20 November 2013  
Christopher Curran – appointed 20 November 2013  
Amanda Knibb – appointed 20 November 2013

\* Members of the Finance, Staffing and Estates Committee

**Senior Management Team** Stephen Cardwell (Headteacher)  
John Durno (Deputy Headteacher)  
Samantha Clancy (Assistant Headteacher)  
Linda Diaby (School Business Manager)

**List of Committees** Curriculum and Policies  
Finance, Staffing and Estates

# **Fulbrook Academy Company Limited by Guarantee**

## **Reference and Administrative Details *(continued)***

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### **Auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
& Statutory Auditor  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

### **Bankers**

Lloyds TSB Bank plc  
Lloyds Court  
28 Secklow Gate West  
Milton Keynes  
Buckinghamshire  
MK9 3EH

### **Solicitors**

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
West Yorkshire  
BD1 4DY

# **Fulbrook Academy Company Limited by Guarantee**

## **Trustees' Annual Report**

**Year ended 31 August 2013**

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The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charitable company for the year ended 31 August 2013

### **Structure, governance and management**

#### **Constitution**

Fulbrook Academy (the Academy Trust) is a company limited by guarantee (registered number 07695419) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Fulbrook Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Fulbrook Academy (also known as Fulbrook Middle School).

Details of the trustees who served during the year 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**

The Academy Trust has purchased insurance to cover the Members, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Details of the costs can be found in note 14 of the accounts.

#### **Principal Activities**

The Academy Trust's principal activities are 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.

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

The Members of the Trust are responsible for the appointment of Governors except two parent Governors, up to one Local Authority Governor who may be appointed by the Local Authority and up to three staff Governors who will be appointed through an election process directed by the governing body. In the event that these positions are not filled, the Members of the Trust are able to appoint to these positions.

The number of Governors shall not be less than three.



# **Fulbrook Academy Company Limited by Guarantee**

**Trustees' Annual Report** *(continued)*

**Year ended 31 August 2013**

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

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, governors receive information relating to the Academy Trust and attend a briefing and receive an induction pack on the role and responsibilities of Governors.

During the year, Governors are offered all necessary training.

## **Organisational Structure**

The governance of the Academy Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

All Governors are members of the full governing body. In addition, governors are members of committees who report to the full governing body. There are two Governors' committees.

The Finance, Staffing and Estates Committee report to the full governing body on finance, premises, staff and related issues. The Curriculum and Policy Committee report to the full governing body on teaching and learning and all policies not covered by the Finance, Staffing and Estates Committee. The full governing body meets on at least six occasions per year.

Terms of reference exist for each committee which will be reviewed annually.

The day to day running of the School is delegated to the Governing Body under the leadership of the Head Teacher Mr Stephen Cardwell who is the Accounting Officer. Other members of the senior management team are Mr John Durno, Deputy Head Teacher, Mrs Samantha Clancy, Assistant Head Teacher and Mrs Linda Diaby, School Business Manager.

## **Risk Management**

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Academy Trust's risk management process is undertaken on an annual basis and key controls in place include:

Formal agenda for all committee activity

Terms of reference for all governing body and delegated committees under the direction of the governing body

Pecuniary interests of governors reviewed at each meeting

Comprehensive budgeting and management reporting

Established organisational structure and clear lines of reporting

Formal written policies

Clear authorisation and approval levels

Vetting procedures as required by law for the protection of the vulnerable

# **Fulbrook Academy Company Limited by Guarantee**

## **Trustees' Annual Report *(continued)***

**Year ended 31 August 2013**

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It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed

### **Connected Organisations Including Related Party Relationships**

There are no connected organisations or related party relationships

### **Objectives and activities**

#### **Objects and Aims**

The Academy Trust's object is to advance for the public benefit education for children aged 9 to 13 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum

The Governors' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this. The School is recognised by Ofsted as a Good school with many Outstanding Features

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic and technological excellence and extend their sporting, artistic and musical accomplishments

The School fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change

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

The School's objectives for the period ending 31 August 2013 were to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development

Student roll – the total number on roll for the period 1 September 2012 to 31 August 2013 was 399

Admissions – the School admitted 109 in September 2012 (Pupil admission number 110)

Attendance – the pupil attendance level achieved for the period was 95.14%

Permanent exclusions – the aim is to have permanent exclusions only in exceptional circumstances. The School had no permanent exclusions during the period from 1 September 2012 to 31 August 2013

Staffing – the average number of (full time equivalent) staff employed during the period 1 September 2012 to 31 August 2013 was 39

#### **Public Benefit**

The Academy Trust will promote for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintain, carrying on, managing and developing a school offering a broad and balanced curriculum

The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties



# Fulbrook Academy Company Limited by Guarantee

Trustees' Annual Report (*continued*)

Year ended 31 August 2013

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## **Achievements and performance**

The academic examination results for the School are set out in the tables below

1 Results showing year on year comparison from 2011 to 2013

KS2 Results July 2013

<u>Level 4+</u>	Fulbrook 2013 Results	2013 FFT B Estimates	Fulbrook 2011 Results	Fulbrook 2012 Results	2013 National Results
English Reading *	92%	90%	89%	93%	86%
Maths	95%	88%	91%	90%	85%
<u>Level 5</u>	Fulbrook 2013 Results	2013 FFT B Estimates	Fulbrook 2011 Results	Fulbrook 2012 Results	2013 National Results
English Reading *	56%	44%	37%	40%	45%
Maths	59%	50%	51%	48%	41%

(FFT B estimates show the % of pupils who should achieve a Level 4 or Level 5 if the Fulbrook pupils make the same progress as similar pupils nationally)

Key Stage 2 results are well above average results locally, regionally and nationally Maths results are consistently high and English results have shown a steady three year improvement

\*The English Reading results tests were new this year with a separate test for English grammar, spelling and punctuation There are not prior year comparisons for the latter test as yet and the Reading tests are being compared with the prior year English test results

# Fulbrook Academy Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

## 2 Results showing year on year comparisons for Key Stage 3 results

### 2010-2013 Summary of Fulbrook's KS3 Test

	English 5+	English 6+	English 7	Maths 5+	Maths 6+	Maths 7	Science 5+	Science 6+	Science 7
2013	85%	67%	16%	85%	76%	36%	(96%)	(66%)	(5%)
2012	95.5%	62%	17%	94%	76%	45%	90.5%	58.5%	23%
2011	89%	40%	6%	91%	67%	35%	96%	71%	6%
2010	85%	38%	12%	82%	69%	31%	91%	66%	12%
Yr9 national test 2007	73%	32%	8%	76%	56%	29%	72%	40%	15%
Yr9 national TA 2012	84%	52%		83%	61%		80%	54%	

Key Stage 3 results are consistently above the national averages despite taking the tests a year early. These results are outstanding and indicate that Fulbrook pupils in Key Stage 3 make outstanding progress.

Key Stage 3 maths is lower due to 10% absentees.

There are no Science results available. Figures in ( ) are teacher assessment results.

### 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.

### Key Financial Performance Indicators

The School was graded 'Good' with many Outstanding Features by Ofsted in 2010.

The Fischer Family Trust data from National Tests is the adopted performance measure and target monitoring tool and is used for Key Stage 2 with National Tests data being used for Key Stage 3 monitoring. The targets provided by the Fischer Family Trust take into account past performance and the profile of student intake. Pupils exceeded the Level 4+ target in Reading, Writing and Maths.

Progress at Key Stage 3 is excellent. From an average point score of 28.9 at the end of Year 6 to an average point score of 39.1 at the end of Year 8, pupils make an average of 10.2 points progress during Year 7 and Year 8, which is above the national average of 7.6 in three years.

# **Fulbrook Academy Company Limited by Guarantee**

## **Trustees' Annual Report *(continued)***

**Year ended 31 August 2013**

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Standards at Key Stage 3 have shown year on year improvements from 2009-2013. The core measures used are the percentage of students achieving Level 5+ and 6+ for English, Maths and Science. The results have improved steadily and are graded outstanding by the School.

Other key performance indicators include:

Pupil attendance levels are regularly at over 95%.

Pupil numbers have risen steadily from 278 in 2007 to 413 in 2013.

The School places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

The Academy Trust considers staff costs as a percentage of government funding to be a key performance indicator. For 2013 this was 78.1%. The surplus/deficit for the period, excluding restricted fixed asset funds, is reviewed as a percentage of income and for 2013 was 0.9%.

## **Financial review**

### **Financial review**

Fulbrook Academy has received the majority of its income from the Education Funding Agency (£1,517,637). The balance of income over expenditure (excluding restricted fixed asset funds) resulted in a deficit of £16,597 (net income for period from unrestricted funds £16,769, plus restricted general funds £33,366 deficit).

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the School building, its plant, equipment and contents.

A strategic capital plan is prepared and reviewed each year by the Governors in order that reserves can be prioritised and spent according to the needs of the School.

The principal financial management policies adopted in the year are:

- Conducting regular financial reviews of income and expenditure versus planned budgets at the Governors' Finance, Staffing and Estates Committee meetings,
- Consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the School's educational obligations.

Reserves carried forwards at 31 August 2013 will be utilised as part of the medium and long term plans of the School to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

The Academy Trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard 17. A deficit has been recognised at 31 August 2013. Future contribution rates are adjusted so as to reduce this deficit.

# **Fulbrook Academy Company Limited by Guarantee**

**Trustees' Annual Report** *(continued)*

**Year ended 31 August 2013**

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

The Academy Trust has developed risk management procedures as outlined above. The Governors have assessed the major risks to which the Academy Trust is exposed and a formal review of the Academy Trust's risk management process is undertaken on an annual basis.

## **Principal Risks and Uncertainties**

The Academy Trust has implemented a Risk Management Policy and has a Risk Register and an annual Risk Review Process in place. The objectives are to have in place measures of control and mitigation, where necessary, in order to manage identified risks.

The principal risks are the loss of reputation through falling standards, falling student rolls, financial sustainability and failure to safeguard the students of the School.

Key controls in place are:

- An organisational structure with defined roles, responsibilities and authorisation levels

- Terms of reference for the committees of the Governing Body

- Financial planning, budgeting and regular management reporting highlighting areas of financial risk

- Formal written and published policies for employees

- Vetting procedures as required by law for the protection of the vulnerable

The Academy Trust has developed risk management procedures as outlined above. The Governors have assessed the major risks to which the Academy Trust is exposed and a formal review of the Academy Trust's risk management process is undertaken on an annual basis.

## **Reserves Policy**

The group level of reserves as at 31 August 2013 is:

Restricted	£2,777,284
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Unrestricted	£35,030
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Restricted funds include £2,967,463 in restricted fixed asset funds which will be offset by future depreciation of fixed assets. The anticipated use of the remaining funds will be to further support the learning and achievement of students in our school by the provision of additional resources or facilities and to support our aims and objectives.

Included within restricted funds at 31 August 2013 is the Local Government Pension Scheme deficit of £230,000. The Pension deficit is viewed as a long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

## **Investment Policy**

The School will, after constructing and reporting forecasts versus budgets, consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the School not to invest funds in this manner.

# **Fulbrook Academy Company Limited by Guarantee**

**Trustees' Annual Report** *(continued)*

**Year ended 31 August 2013**

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## **Plans for future periods**

The aim is by 2016 to be an outstanding school delivering excellent levels of achievement and progress for all pupils. The School will be committed to providing life changing opportunities and inspiration for all children. Fulbrook will be the school of choice and a focal point for the local community.

Objectives for the 2013-14 year include

- By 2016 Fulbrook will be a high performing school for pupils' achievement and progress. Their literacy and numeracy skills will maximise the choices they have in later life and enable them to play a full role as a citizen.
- Pupils will be engaged in school life and enjoy school. They will participate in extra-curricular activities such as sport, the arts, charitable activities and educational visits. Our commitment to providing a positive learning experience will be exemplary.
- We aim to have secured effective partnerships with businesses, Higher Education Institutions, local councils, the local community and schools.
- The school will be a viable financially robust school. It will be attracting additional income to the school beyond the DfE pupil based income.

Plans for the 2013-14 year include

- Produce the School Improvement Plan
- Raise standards of attainment and progress across the school
- Raise the quality of teaching and learning
- Improve the quality of provision
- Improve the outcomes for pupils eligible for Pupil Premium
- Develop robust baseline and tracking systems
- Ensure every pupil has the opportunity to participate in extra-curricular activities
- Every pupil will participate in a range of visits, theme days and experience visitors to the school
- Pupils are given more opportunities to be consulted and heard
- Develop and promote behaviours and attitudes that will help children to lead happy and rewarding lives
- Improve pupils' readiness to learn
- Develop business links
- Contribute to training two new teachers a year
- Develop links with local government
- Strengthen links with local schools
- Improve the effectiveness of the Governing Body
- Be prepared to meet parental demands to accommodate pupils wishing to attend the school
- Increase the levels of income outside of Central Government funding
- Ensure we achieve Best Value for Money
- Secure funding for an all weather football pitch

# **Fulbrook Academy Company Limited by Guarantee**

**Trustees' Annual Report** *(continued)*

**Year ended 31 August 2013**

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## **Funds held as custodian trustee on behalf of others**

A number of Senior staff and Governors act as Trustees of the Fulbrook Academy School Fund, a charity registered with the Charity Commission, registration number 1078786. This charity undertakes a number of fundraising events for specific educational projects, and manages donations in respect of educational field trips. As the School Fund is under the control of Governors and staff of the Academy Trust, its financial position and results are consolidated into the Academy Trust's financial statements.

## **Independent auditor**

In so far as the Trustees are aware

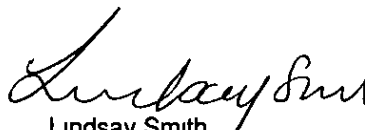
- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Approved by order of the members of the board of trustees on <sup>27/12/2013</sup> and signed on their behalf by

Registered office  
Weathercock Lane  
Milton Keynes  
England  
MK17 8NP

Signed on behalf of the Trustees

  
Lindsay Smith  
Chair of Trustees

# **Fulbrook Academy Company Limited by Guarantee**

## **Governance Statement**

**Year ended 31 August 2013**

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### **Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher 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 Fulbrook Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Lindsay Smith (Chair)	6	6
Vincent Mulligan	4	6
Michael Kitt	2	6
Angela Evans	6	6
Gill Warrington (resigned 24/07/2013)	4	6
Gary Botsford	6	6
Fiona Chapman	3	6
Jane Crabbe	5	6
Nik Hartley	5	6
Sally Hartley	2	6
Katie Jepsen (resigned 24/07/2013)	5	6
Rosemary Robson-Green	3	6
Simon Thomas (Staff Governor)	5	6
Fiona Bishop (Staff Governor)	5	6
Stephen Cardwell (Principal and Accounting Officer)	6	6
Chrs Wyper (resigned 03/10/2012)	0	6

# **Fulbrook Academy Company Limited by Guarantee**

## **Governance Statement**

**Year ended 31 August 2013**

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The Finance, Staffing and Estates Committee have developed the Academy Trust's Strategic Plan up to 2016, reviewed the new teachers' pay policy and looked at a new reserves policy and a fixed asset policy

There were no changes to the Finance, Staffing and Estates Committee during the year Attendance during the year at meetings of this committee was as follows

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Lindsay Smith (Chair)	6	6
Vincent Mulligan	3	6
Gary Botsford	5	6
Fiona Chapman	2	6
Nik Hartley	4	6
Rosemary Robson-Green	4	6
Simon Thomas (Staff Governor)	5	6
Stephen Cardwell (Principal and Accounting Officer)	5	6

The Policy and Curriculum Committee have continued to review policies on a rolling programme, reviewed subjects including PHSCE and SEN covering assessment and results, also on a rolling programme

Attendance during the year at meetings of this committee was as follows

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Fiona Bishop	5	5
Jane Crabbe	4	5
Sally Hartley	4	5
Katie Jepsen	5	5
Michael Kitt	0	5
Lindsay Smith	5	5
Gill Warrington	4	5
Stephen Cardwell (Principal and Accounting Officer)	5	5



# **Fulbrook Academy Company Limited by Guarantee**

## **Governance Statement**

**Year ended 31 August 2013**

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### **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 Fulbrook Academy for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 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 trustees.

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

The board of trustees has considered the need for a specific audit function and has decided not to appoint an internal auditor. However the trustees have appointed Mrs Charlotte Lockley as Responsible Officer (RO).

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis the Responsible Officer reports to the Finance, Staffing and Estates Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

There were no material control issues arising as a result of the Responsible Officer's work during the period 1 September 2012 to 31 August 2013.

# **Fulbrook Academy Company Limited by Guarantee**

## **Governance Statement**

**Year ended 31 August 2013**

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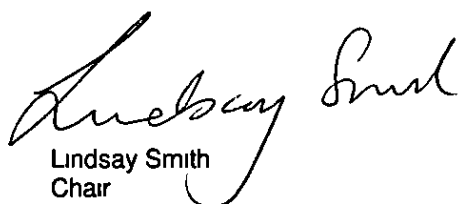
### **Review of Effectiveness**

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance process,
- the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implication of the result of their review of the system of internal control by the Finance, Staffing and Estates 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 04/12/2013 and signed on its behalf by



Lindsay Smith  
Chair



Stephen Cardwell  
Accounting officer

# **Fulbrook Academy Company Limited by Guarantee**

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

**Year ended 31 August 2013**

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As accounting officer of Fulbrook Academy I have considered my responsibility to notify the academy trust's board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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's board of trustees 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.



Stephen Cardwell  
Accounting officer

# **Fulbrook Academy Company Limited by Guarantee**

## **Statement of Trustees' Responsibilities**

**Year ended 31 August 2013**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the 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

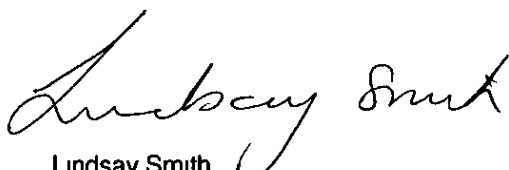
- select suitable accounting policies and then apply them consistently,  
observe the methods and principles in the Charities SORP,  
make judgements and accounting estimates that are reasonable and prudent,  
state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 04/12/2013 and signed on their behalf by



Lindsay Smith  
Chair of trustees

# **Fulbrook Academy Company Limited by Guarantee**

## **Independent Auditor's Report to the Members of Fulbrook Academy**

**Year ended 31 August 2013**

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We have audited the financial statements of Fulbrook Academy for the year ended 31 August 2013 which comprise the Group Statement of Financial Activities, Academy Statement of Financial Activities, the Group Balance Sheet, Academy Balance Sheet, the Group Cash Flow Statement, Accounting Policies 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 Accounts Direction 2013 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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Responsibilities of the Trustees (set out on page 17), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Trustees' Annual 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 2013 and of its incoming resources and application of resources 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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

# **Fulbrook Academy Company Limited by Guarantee**

**Independent Auditor's Report to the Members of Fulbrook Academy (continued)**

**Year ended 31 August 2013**

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

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

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

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

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



ELAINE OLSON-WILLIAMS FCCA  
(Senior Statutory Auditor)  
For and on behalf of  
MHA MACINTYRE HUDSON  
Chartered Accountants  
& Statutory Auditor

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

12 July 2013

# **Fulbrook Academy Company Limited by Guarantee**

## **Independent Reporting Accountant's Assurance Report on Regularity to Fulbrook Academy and the Education Funding Agency**

**Year ended 31 August 2013**

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In accordance with the terms of our engagement letter dated 23 July 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 Fulbrook Academy during the period 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 Fulbrook Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fulbrook 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 Fulbrook Academy and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Fulbrook Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Fulbrook Academy's funding agreement with the Secretary of State for Education dated 1 March 2012 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 period 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 trust's income and expenditure.

The work undertaken to draw our conclusions includes

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy
- testing of a sample of payroll payments to staff

## **Fulbrook Academy Company Limited by Guarantee**

### **Independent Reporting Accountant's Assurance Report on Regularity to Fulbrook Academy and the Education Funding Agency *(continued)***

**Year ended 31 August 2013**

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- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, and testing as appropriate,
- and making appropriate enquiries of the Accounting Officer

#### **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 period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



MHA MACINTYRE HUDSON  
Chartered Accountants  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

12 July 2013



# Fulbrook Academy Company Limited by Guarantee

## Group Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds Period from 6 Jul 11 to 31 Aug 12 £
<b>Incoming resources</b>						
Incoming resources from generating funds						
Voluntary income	2	–	191,730	–	191,730	127,805
Funds transferred from Local Authority on conversion	2	–	–	–	–	2,984,116
Activities for generating funds	3	29,004	–	–	29,004	18,176
Investment income	4	265	–	–	265	84
Income from charitable trading activities						
Funding for academy's educational operations	5	–	1,615,114	4,184	1,619,298	1,050,637
<b>Total incoming resources</b>		<b>29,269</b>	<b>1,806,844</b>	<b>4,184</b>	<b>1,840,297</b>	<b>4,180,818</b>
<b>Resources expended</b>						
Costs of generating funds						
Costs of generating voluntary income		–	161,956	–	161,956	96,285
Pension deficit transferred from Local Authority		–	–	–	–	212,000
Fundraising trading cost of goods sold and other costs	6	12,500	–	–	12,500	–
Charitable activities						
Charitable expenditure	8	–	1,643,878	157,181	1,801,059	899,756
Governance costs	9	–	7,000	–	7,000	10,736
Other resources expended	10	–	–	510	510	–
<b>Total resources expended</b>		<b>12,500</b>	<b>1,812,834</b>	<b>157,691</b>	<b>1,983,025</b>	<b>1,218,777</b>
<b>Net (expenditure)/income before transfers</b>		<b>16,769</b>	<b>(5,990)</b>	<b>(153,507)</b>	<b>(142,727)</b>	<b>2,962,041</b>
Gross transfers between funds		–	(30,375)	30,375	–	–
<b>Net (expenditure)/income for the year</b>	<b>11</b>	<b>16,769</b>	<b>(36,366)</b>	<b>(123,131)</b>	<b>(142,727)</b>	<b>2,962,041</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes		–	3,000	–	3,000	(16,000)
<b>Net movement in funds</b>		<b>16,769</b>	<b>(33,366)</b>	<b>(123,131)</b>	<b>(139,727)</b>	<b>2,946,041</b>
Carried forward		16,769	(33,366)	(123,131)	(139,727)	2,946,041

The accounting policies and notes on pages 29 to 49 form part of these financial statements.

# Fulbrook Academy Company Limited by Guarantee

## Group Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses) *(continued)*

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds Period from 6 Jul 11 to 31 Aug 12 £
Brought forward		16,769	(33,366)	(123,131)	(139,727)	2,946,041
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2012		18,261	(162,813)	3,090,594	2,946,041	–
<b>Total funds carried forward at 31 August 2013</b>		<b>35,030</b>	<b>(196,179)</b>	<b>2,967,463</b>	<b>2,806,314</b>	<b>2,946,041</b>

All of the academy trust's activities derive from continuing operations during the above two financial periods

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

The accounting policies and notes on pages 29 to 49 form part of these financial statements.

# Fulbrook Academy Company Limited by Guarantee

## Academy Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds Period from 6 Jul 11 to 31 Aug 12 £
<b>Incoming resources</b>						
Incoming resources from generating funds						
Voluntary income	2	–	15,771	–	15,771	14,704
Funds transferred from Local Authority on conversion	2	–	–	–	–	2,984,116
Activities for generating funds	3	29,004	–	–	29,004	18,176
Investment income	4	265	–	–	265	84
Income from charitable trading activities						
Funding for academy's educational operations	5	–	1,615,114	4,184	1,619,298	1,050,637
<b>Total incoming resources</b>		<b>29,269</b>	<b>1,630,885</b>	<b>4,184</b>	<b>1,664,338</b>	<b>4,067,717</b>
<b>Resources expended</b>						
Costs of generating funds						
Pension deficit transferred from Local Authority		–	–	–	–	212,000
Fundraising trading cost of goods sold and other costs	6	12,500	–	–	12,500	–
Charitable activities						
Charitable expenditure	8	–	1,643,878	157,181	1,801,059	899,756
Governance costs	9	–	7,000	–	7,000	10,736
Other resources expended	10	–	–	510	510	–
<b>Total resources expended</b>		<b>12,500</b>	<b>1,650,878</b>	<b>157,691</b>	<b>1,821,069</b>	<b>1,122,492</b>
<b>Net (expenditure)/income before transfers</b>		<b>16,769</b>	<b>(19,993)</b>	<b>(153,507)</b>	<b>(156,731)</b>	<b>2,945,225</b>
Gross transfers between funds		–	(30,375)	30,375	–	–
<b>Net (expenditure)/income for the year</b>	11	<b>16,769</b>	<b>(50,368)</b>	<b>(123,132)</b>	<b>(156,731)</b>	<b>2,945,225</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes		–	3,000	–	3,000	(16,000)
<b>Net movement in funds</b>		<b>16,769</b>	<b>(47,368)</b>	<b>(123,132)</b>	<b>(153,731)</b>	<b>2,929,225</b>
Carried forward		16,769	(47,370)	(123,131)	(153,731)	2,929,225

The accounting policies and notes on pages 29 to 49 form part of these financial statements.

# Fulbrook Academy Company Limited by Guarantee

## Academy Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses) *(continued)*

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds Period from 6 Jul 11 to 31 Aug 12 £
Brought forward		16,769	(47,370)	(123,131)	(153,731)	2,929,225
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2012		18,261	(179,629)	3,090,594	2,929,225	—
<b>Total funds carried forward at 31 August 2013</b>		<b>35,030</b>	<b>(226,999)</b>	<b>2,967,463</b>	<b>2,775,494</b>	<b>2,929,225</b>

All of the academy trust's activities derive from continuing operations during the above two financial periods

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

The accounting policies and notes on pages 29 to 49 form part of these financial statements.

# Fulbrook Academy Company Limited by Guarantee

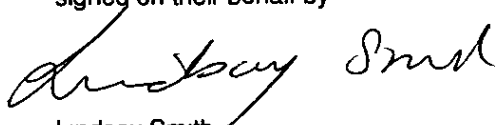
Company Registration Number: 07695419


## Group Balance Sheet

31 August 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	15	2,967,463	2,869,098
<b>Current assets</b>			
Debtors	16	61,414	215,645
Cash at bank and in hand		55,023	140,168
		<u>116,437</u>	<u>355,813</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(47,586)</u>	<u>(52,870)</u>
<b>Net current assets</b>		<b>68,851</b>	<b>302,943</b>
<b>Total assets less current liabilities</b>		<b>3,036,314</b>	<b>3,172,041</b>
<b>Net assets excluding pension liability</b>		<b>3,036,314</b>	<b>3,172,041</b>
<b>Defined benefit pension scheme liability</b>	18	<b>(230,000)</b>	<b>(226,000)</b>
<b>Net assets including pension liability</b>		<b><u>£2,806,314</u></b>	<b><u>£2,946,041</u></b>
<b>Funds of the academy trust:</b>	19		
<b>Restricted income funds:</b>			
Fixed asset fund		2,967,463	3,090,594
General funds		33,821	63,187
Pension reserve	18	<u>(230,000)</u>	<u>(226,000)</u>
<b>Total restricted income funds</b>		<b>2,771,284</b>	<b>2,927,781</b>
<b>Unrestricted income funds:</b>			
General fund		<u>35,030</u>	<u>18,260</u>
<b>Total funds</b>		<b><u>£2,806,314</u></b>	<b><u>£2,946,041</u></b>

These financial statements were approved by the Trustees, and authorised for issue on 04/12/2013 and are signed on their behalf by

  
Lindsay Smith  
Chair

  
Vincent Mulligan  
Trustee

The accounting policies and notes on pages 29 to 49 form part of these financial statements.

# Fulbrook Academy Company Limited by Guarantee

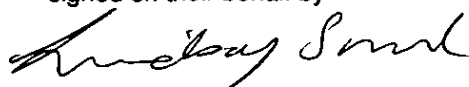
Company Registration Number: 07695419


## Academy Balance Sheet

31 August 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	15	2,967,463	2,869,098
<b>Current assets</b>			
Debtors	16	60,614	208,800
Cash at bank and in hand		23,396	111,778
		84,010	320,578
<b>Creditors: amounts falling due within one year</b>	17	(45,978)	(34,451)
<b>Net current assets</b>		38,032	286,127
<b>Total assets less current liabilities</b>		3,005,495	3,155,225
<b>Net assets excluding pension liability</b>		3,005,495	3,155,225
<b>Defined benefit pension scheme liability</b>	18	(230,000)	(226,000)
<b>Net assets including pension liability</b>		<u>£2,775,494</u>	<u>£2,929,225</u>
<b>Funds of the academy trust:</b>	19		
<b>Restricted income funds:</b>			
Fixed asset fund		2,967,463	3,090,594
General funds		3,001	46,371
Pension reserve	18	(230,000)	(226,000)
<b>Total restricted income funds</b>		2,740,465	2,910,965
<b>Unrestricted income funds:</b>			
General fund		35,029	18,260
<b>Total funds</b>		<u>£2,775,494</u>	<u>£2,929,225</u>

These financial statements were approved by the Trustees, and authorised for issue on 04/12/2013 and are signed on their behalf by

  
Lindsay Smith  
Chair

  
Vincent Mulligan  
Trustee

The accounting policies and notes on pages 29 to 49 form part of these financial statements.

# **Fulbrook Academy Company Limited by Guarantee**

## **Group Cash Flow Statement**

**Year ended 31 August 2013**

	<b>Note</b>	<b>Year to 31 Aug 13 £</b>	<b>£</b>	<b>Period from 6 Jul 11 to 31 Aug 12 £</b>
<b>Net cash inflow from operating activities</b>	<b>24</b>		<b>170,644</b>	<b>109,068</b>
<b>Returns on investments and servicing of finance</b>	<b>25</b>			
Interest received		<b>265</b>		<b>84</b>
Net cash inflow from returns on investments and servicing of finance			<b>265</b>	<b>84</b>
Cash transferred on conversion to academy trust			<b>-</b>	<b>52,813</b>
<b>Capital expenditure</b>	<b>26</b>		<b>(256,054)</b>	<b>(21,797)</b>
<b>(Decrease)/increase in cash in the year</b>			<b>£(85,145)</b>	<b>£140,168</b>
<b>Reconciliation of net cash flow to movement in net funds</b>				
			<b>2013 £</b>	<b>2012 £</b>
Net funds at 1 September 2012			<b>140,168</b>	<b>-</b>
<b>Net funds at 31 August 2013</b>			<b>55,023</b>	<b>140,168</b>

**The accounting policies and notes on pages 29 to 49 form part of these financial statements.**

# **Fulbrook Academy Company Limited by Guarantee**

## **Accounting Policies**

**Year ended 31 August 2013**

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (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.

### **Basis of consolidation**

The consolidated accounts incorporate the accounts of the company and undertakings under its control. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the merger method. The results of entities acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

### **Incoming resources**

All incoming resources are recognised when the academy trust 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.

### **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 trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 trust's policies.



# **Fulbrook Academy Company Limited by Guarantee**

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

**Year ended 31 August 2013**

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### **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.

All resources expended are inclusive of irrecoverable VAT.

### **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 Trust's educational operations.

### **Governance costs**

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

### **Fund accounting**

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

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



# **Fulbrook Academy Company Limited by Guarantee**

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

**Year ended 31 August 2013**

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### **Fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Groups of assets purchased within the same accounting period and valued over £1,000 are also 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 carried forward in the Balance Sheet.

Depreciation on fixed 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 trust's depreciation policy.

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.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	-	25% straight line
Motor vehicles	-	25% straight line
Leasehold property	-	2% straight line
Fixtures & fittings	-	20% straight line

### **Operating lease agreements**

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

# **Fulbrook Academy Company Limited by Guarantee**

## **Accounting Policies (continued)**

**Year ended 31 August 2013**

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### **Pension costs**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi employer scheme and the Academy Trust 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

### **Going concern**

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

### **Taxation**

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

### **School fund**

The school fund is under the control of the academy trust by virtue of common governance. Its remits for the year and its assets and liabilities at 31 August 2013 have therefore been consolidated into these financial statements.

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 1. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

### 2. Voluntary Income Group

	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Funds transferred from Local Authority on conversion	–	–	2,984,116
Donations	15,771	15,771	14,704
School funds	175,959	175,959	113,101
	<u>191,730</u>	<u>191,730</u>	<u>3,111,921</u>

### Academy

	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Funds transferred from Local Authority on conversion	–	–	2,984,116
Donations	15,771	15,771	14,704
	<u>15,771</u>	<u>15,771</u>	<u>2,998,820</u>

### 3. Incoming resources from activities for generating funds Group and Academy

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Rental income	27,084	27,084	16,502
Music, books & exams recharges	–	–	414
Other income	1,920	1,920	1,260
	<u>29,004</u>	<u>29,004</u>	<u>18,176</u>

### 4. Investment Income Group and Academy

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Bank interest receivable	265	265	84

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 5. Funding for academy's educational operations Group and Academy

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG) (note 1)	1,490,279	–	1,490,279	762,045
Pupil Premium	27,357	–	27,357	–
GTP/teacher recharges	–	–	–	5,874
Other EFA grants	–	–	–	234,000
	<u>1,517,636</u>	<u>–</u>	<u>1,517,636</u>	<u>1,001,919</u>
<b>Other Government grants</b>				
Capital grants	–	4,184	4,184	9,873
Other government grants	14,776	–	14,776	11,525
Other local authority income	–	–	–	4,200
Local authority SEN income	82,702	–	82,702	23,120
	<u>97,478</u>	<u>4,184</u>	<u>101,662</u>	<u>48,718</u>
	<u>1,615,114</u>	<u>4,184</u>	<u>1,619,298</u>	<u>1,050,637</u>

### 6. Costs of generating voluntary income Group and Academy

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Other costs	<u>12,500</u>	<u>12,500</u>	<u>–</u>

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 7. Resources expended Group

	Staff costs £	Premises £	Other costs £	Total Funds 2013 £	Total Funds 2012 £
<b>Costs of generating voluntary income:</b>					
Pension deficit transferred from Local Authority	—	—	—	—	212,000
School funds	—	—	161,956	161,956	96,285
	—	—	161,956	161,956	308,285
<b>Costs of activities for generating funds:</b>					
Other costs	3,500	—	9,000	12,500	—
<b>Academy's educational operations:</b>					
Direct costs	1,261,242	—	66,148	1,327,390	623,400
Support costs	171,883	71,077	230,709	473,669	276,356
	1,433,125	71,077	296,857	1,801,059	899,756
Governance costs including allocated support costs	—	—	7,002	7,002	10,736
	<u>1,436,625</u>	<u>71,077</u>	<u>474,815</u>	<u>1,982,517</u>	<u>1,218,777</u>

### Academy

	Staff costs £	Premises £	Other costs £	Total Funds 2013 £	Total Funds 2012 £
<b>Costs of generating voluntary income:</b>					
Pension deficit transferred from Local Authority	—	—	—	—	212,000
<b>Costs of activities for generating funds:</b>					
Other costs	3,500	—	9,000	12,500	—
<b>Academy's educational operations:</b>					
Direct costs	1,261,242	—	66,148	1,327,390	623,400
Support costs	171,883	71,077	230,709	473,669	276,356
	1,433,125	71,077	296,857	1,801,059	899,756
Governance costs including allocated support costs	—	—	7,002	7,002	10,736
	<u>1,436,625</u>	<u>71,077</u>	<u>312,859</u>	<u>1,820,561</u>	<u>1,122,492</u>

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 8. Academy's educational operations Group and Academy

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
<i>Direct costs</i>				
Teaching & educational support staff	1,261,242	–	1,261,242	583,816
Educational supplies	54,847	–	54,847	29,394
Staff development	7,817	–	7,817	6,412
Educational consultancy	3,484	–	3,484	3,778
	<u>1,327,390</u>	<u>–</u>	<u>1,327,390</u>	<u>623,400</u>
<i>Allocated support costs</i>				
Support staff costs	171,883	–	171,883	70,963
Depreciation	–	157,181	157,181	84,002
Maintenance of premises & equipment	44,666	–	44,666	34,740
Gas	19,865	–	19,865	15,801
Cleaning	1,856	–	1,856	960
Insurance	8,806	–	8,806	30,466
Security & transport	1,131	–	1,131	685
Catering	19,758	–	19,758	9,467
Legal & professional services	36,005	–	36,005	24,717
Other support costs	12,518	–	12,518	4,555
	<u>316,488</u>	<u>157,181</u>	<u>473,669</u>	<u>276,356</u>
	<u>1,643,878</u>	<u>157,181</u>	<u>1,801,059</u>	<u>899,756</u>

### 9. Governance costs Group and Academy

	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Audit and accountancy fees	<u>7,000</u>	<u>7,000</u>	<u>10,736</u>

### 10. Other resources expended Group and Academy

	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
Loss on disposal of tangible fixed assets	<u>510</u>	<u>510</u>	<u>–</u>



# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 11. Net incoming/(outgoing) resources for the year Group and Academy

This is stated after charging

	2013 £	2012 £
Operating leases		
Fees payable to auditor		
Audit	7,000	10,736
Depreciation	157,181	84,002

### 12. Staff costs and emoluments Group and Academy

	2013 £	2012 £
Wages and salaries	1,166,638	531,395
Social security costs	81,736	37,925
Other pension costs	183,203	74,745
	<u>1,431,577</u>	<u>644,065</u>
Supply teacher costs	5,048	10,714
	<u>£1,436,625</u>	<u>£654,779</u>

#### Particulars of employees:

The average number of employees during the year,	2013	2012
Teachers	16	17
Administration and support	19	20
Management	3	3
	<u>38</u>	<u>40</u>

The number of employees whose remuneration for the year fell within the following bands, including employer pension contributions, were

	2013	2012
£60,001 to £70,000	1	1
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these members of staff amounted to £19,072 (2012 - £9,044)

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 13. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy trust in respect of their role as governors. The value of the governors' remuneration, in the year to 31 August 2013 was as follows

	2013 £	6 months 2012 £
S Cardwell, Headteacher and governor	75k-80k	30k-35k
Staff governor 1	15k-20k	5k-10k
Staff governor 2	40k-45k	15k-20k

No expenses were paid to governors in respect of their role as governors for the year to 31 August 2013

Other related party transactions involving the trustees are set out in note 20.

### 14. Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £176 (2012 - £709)

### 15. Tangible fixed assets Group and Academy

	Fixture & fittings £	Computer equipment £	Motor Vehicles £	Leasehold Property £	Total £
<b>Cost</b>					
At 1 September 2012	50,906	68,965	15,595	2,817,634	2,953,100
Additions	2,695	17,627	—	235,732	256,054
Disposals	—	(2,099)	—	—	(2,099)
<b>At 31 August 2013</b>	<b>£53,601</b>	<b>£84,493</b>	<b>£15,595</b>	<b>£3,053,366</b>	<b>£3,207,055</b>
<b>Depreciation</b>					
At 1 September 2012	8,298	17,380	3,524	54,800	84,002
Charge for the year	10,181	26,163	3,817	117,020	157,181
On disposals	—	(1,591)	—	—	(1,591)
<b>At 31 August 2013</b>	<b>£18,479</b>	<b>£41,952</b>	<b>£7,341</b>	<b>£171,820</b>	<b>£239,592</b>
<b>Net book value</b>					
<b>At 31 August 2013</b>	<b>35,122</b>	<b>42,541</b>	<b>8,254</b>	<b>2,881,546</b>	<b>2,967,463</b>
<b>At 31 August 2012</b>	<b>42,608</b>	<b>51,585</b>	<b>12,071</b>	<b>2,762,834</b>	<b>2,869,098</b>

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 16. Debtors

	Group		Academy	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	5,225	2,737	5,225	2,737
Other debtors	1,007	–	1,007	–
VAT recoverable	8,739	13,457	8,739	13,457
Prepayments and accrued income	46,443	199,451	45,643	192,606
	<u>£61,414</u>	<u>£215,645</u>	<u>£60,614</u>	<u>£208,800</u>

### 17. Creditors: Amounts falling due within one year

	Group		Academy	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	–	1,761	–	1,761
Taxation and social security	25,785	24,399	25,785	24,399
Other creditors	71	177	71	177
Accruals and deferred income	21,730	26,533	20,122	8,114
	<u>£47,586</u>	<u>£52,870</u>	<u>£45,978</u>	<u>£34,451</u>

#### Deferred income Group and Academy

	2013
	£
Resources deferred in the year	10,066
<b>Deferred income at 31 August 2013</b>	<b><u>£10,066</u></b>

Deferred income relates primarily to GAG rates reimbursement

# **Fulbrook Academy Company Limited by Guarantee**

## **Notes to the Financial Statements**

**Year ended 31 August 2013**

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### **18. Pensions 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 managed by Bedford Borough 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 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.

#### **The 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.

# **Fulbrook Academy Company Limited by Guarantee**

## **Notes to the Financial Statements**

**Year ended 31 August 2013**

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### **18. Pensions and similar obligations (continued)**

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.

#### **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.

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 18. Pensions and similar obligations *(continued)*

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £82,000 (2012 - £34,000), of which employer's contributions totalled £65,000 (2012 - £28,000) and employees' contributions totalled £17,000 (2012 - £6,000). The agreed contribution rates for future years are 23.9 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows -

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

### Principal actuarial assumptions

	At 31 Aug 2013	At 31 Aug 2012
	%	%
Discount rate	4.6	4.1
Expected return on scheme assets	5.9	4.4
Rate of increase in salaries	5.1	4.5
Rate of increase in pensions payment	2.8	2.2

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 18. Pensions and similar obligations *(continued)*

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

	At 31 August 2013	At 31 August 2012
Retiring today		
Males	21.6	21.6
Females	23.2	23.2
Retiring in 20 years		
Males	23.6	23.6
Females	25.6	25.6

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

	Expected return at 31 Aug 2013 %	Fair value at 31 Aug 2013 £	Expected return at 31 Aug 2012 %	Fair value at 31 Aug 2012 £
Equities	6.6	293,000	5.5	158,000
Bonds	4.0	80,000	3.5	52,000
Property	4.7	34,000	3.7	27,000
Cash	3.6	13,000	2.8	67,000
<b>Total market value of assets</b>		<b>420,000</b>		<b>304,000</b>
Present value of scheme liabilities - funded		(650,000)		(530,000)
<b>Deficit in the scheme</b>		<b>(230,000)</b>		<b>(226,000)</b>

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 18. Pensions and similar obligations *(continued)* Amounts recognised in the Statement of Financial Activities

	2013 £	2012 £
Current service cost (net of employee contributions)	64,000	22,000
<b>Total operating charge</b>	<b>64,000</b>	<b>22,000</b>

### Analysis of pension finance income/(costs)

	2013 £	2012 £
Expected return on pension scheme assets	15,000	7,000
Interest on pension liabilities	(23,000)	(11,000)
<b>Pension finance income/(costs)</b>	<b>(8,000)</b>	<b>(4,000)</b>

The actuarial 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 £13,000 loss (2012 - £16,000 loss).

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.

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

	2013 £	2012 £
At 1 September 2012	530,000	481,000
Current service cost	64,000	22,000
Interest on pension liabilities	23,000	11,000
Employee contributions	17,000	6,000
Actuarial gain/(loss)	16,000	10,000
<b>At 31 August 2013</b>	<b>650,000</b>	<b>530,000</b>

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

	2013 £	2012 £
At 1 September 2012	304,000	269,000
Expected return on pension scheme assets	15,000	7,000
Actuarial gain/loss	19,000	(6,000)
Employer contributions	65,000	28,000
Employee contributions	17,000	6,000
<b>At 31 August 2013</b>	<b>420,000</b>	<b>304,000</b>



# **Fulbrook Academy Company Limited by Guarantee**

## **Notes to the Financial Statements**

**Year ended 31 August 2013**

### **18. Pensions and similar obligations *(continued)*** **Reconciliation of opening and closing deficit:**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Pension scheme liability transferred	<b>(226,000)</b>	(212,000)
Current service cost (net of employee contributions)	<b>(64,000)</b>	(22,000)
Employer contributions	<b>65,000</b>	28,000
Other finance income/(costs)	<b>(8,000)</b>	(4,000)
Actuarial gain/(loss)	<b>3,000</b>	(16,000)
<b>Deficit at 31 August 2013</b>	<b><u>(230,000)</u></b>	<b><u>(226,000)</u></b>

**The five year history of experience adjustments is as follows:**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Present value of defined benefit obligations</b>	<b>(650,000)</b>	(530,000)
<b>Fair value of share of scheme assets</b>	<b>420,000</b>	304,000
<b>Deficit in the scheme</b>	<b><u>(230,000)</u></b>	<b><u>(226,000)</u></b>
<b>Experience adjustments on share of scheme assets</b>		
Amount (£)	<b>19,000</b>	(6,000)
<b>Experience adjustments on scheme liabilities</b>		
Amount (£'000)	<b>16,000</b>	10,000

The expected employer contributions for the year ended 31 August 2014 are £91,000

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 19. Funds Group

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013
<b>Restricted general funds</b>						
General annual grant (GAG)	–	1,490,280	(1,502,743)	–	15,421	2,958
LA grants	24,063	82,702	(82,702)	–	(24,063)	–
Other DfE/EFA grants	–	27,356	(32,988)	–	5,676	44
Defined benefit pension scheme	(226,000)	–	(7,000)	3,000	–	(230,000)
GTP/teacher recharges	4,974	–	(4,974)	–	–	–
Miscellaneous	17,334	30,547	(20,473)	–	(27,408)	–
School funds	16,816	175,959	(161,956)	–	–	30,819
	<u>(162,813)</u>	<u>1,806,844</u>	<u>(1,812,836)</u>	<u>3,000</u>	<u>(30,375)</u>	<u>(196,179)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grant	234,000	4,184	–	–	(238,184)	–
Capital expenditure from GAG	9,293	–	–	–	(9,293)	–
Transfer from Local Authority	2,847,301	–	(157,690)	–	277,852	2,967,463
	<u>3,090,594</u>	<u>4,184</u>	<u>(157,690)</u>	<u>–</u>	<u>30,375</u>	<u>2,967,463</u>
<b>Total restricted funds</b>	<u>2,927,781</u>	<u>1,811,028</u>	<u>(1,970,526)</u>	<u>3,000</u>	<u>–</u>	<u>2,771,284</u>
<b>Unrestricted funds</b>						
General unrestricted funds	18,261	29,268	(12,500)	–	–	35,029
<b>Total unrestricted funds</b>	<u>18,261</u>	<u>29,268</u>	<u>(12,500)</u>	<u>–</u>	<u>–</u>	<u>35,029</u>
<b>Total funds</b>	<u>2,946,042</u>	<u>1,840,298</u>	<u>(1,983,026)</u>	<u>3,000</u>	<u>–</u>	<u>2,806,314</u>

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 19. Funds (continued) Academy

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013
<b>Restricted general funds</b>						
General annual grant (GAG)	–	1,490,280	(1,502,743)	–	15,421	2,958
LA grants	24,063	82,702	(82,702)	–	(24,063)	–
Other DfE/EFA grants	–	27,356	(32,988)	–	5,676	44
Defined benefit pension scheme	(226,000)	–	(7,000)	3,000	–	(230,000)
GTP/teacher recharges	4,974	–	(4,974)	–	–	–
Miscellaneous	17,334	30,547	(20,473)	–	(27,408)	–
	<u>(179,629)</u>	<u>1,630,885</u>	<u>(1,650,880)</u>	<u>3,000</u>	<u>(30,375)</u>	<u>(226,998)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grant	234,000	4,184	–	–	(238,184)	–
Capital expenditure from GAG	9,293	–	–	–	(9,293)	–
Transfer from Local Authority	2,847,301	–	(157,690)	–	277,852	2,967,463
	<u>3,090,594</u>	<u>4,184</u>	<u>(157,690)</u>	<u>–</u>	<u>30,375</u>	<u>2,967,463</u>
<b>Total restricted funds</b>	<u>2,910,965</u>	<u>1,635,069</u>	<u>(1,808,570)</u>	<u>3,000</u>	<u>–</u>	<u>2,740,465</u>
<b>Unrestricted funds</b>						
General unrestricted funds	18,261	29,268	(12,500)	–	–	35,029
<b>Total unrestricted funds</b>	<u>18,261</u>	<u>29,268</u>	<u>(12,500)</u>	<u>–</u>	<u>–</u>	<u>35,029</u>
<b>Total funds</b>	<u>2,929,226</u>	<u>1,664,337</u>	<u>(1,821,070)</u>	<u>3,000</u>	<u>–</u>	<u>2,775,494</u>

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the EFA

Restricted fixed assets funds amounting to £2,967,463 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the Academy's facilities

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 20. Analysis of net assets between funds

#### Group

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	2,967,463	2,967,463
Current assets	35,030	81,407	–	116,437
Current liabilities	–	(47,586)	–	(47,586)
Pension scheme liability	–	(230,000)	–	(230,000)
	<u>35,030</u>	<u>(196,179)</u>	<u>2,967,463</u>	<u>2,806,314</u>

#### Academy

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	2,967,463	2,967,463
Current assets	35,030	48,980	–	84,010
Current liabilities	–	(45,978)	–	(45,978)
Pension scheme liability	–	(230,000)	–	(230,000)
	<u>35,030</u>	<u>(226,999)</u>	<u>2,967,463</u>	<u>2,775,494</u>

### 21. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under the Charity Commission 'Statement of Recommended Practice' Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006

### 22. Ultimate controlling party

There is no ultimate controlling party

### 23. Company limited by guarantee

The academy trust is a company limited by guarantee and does not have share capital

# Fulbrook Academy Company Limited by Guarantee

## Notes to the Financial Statements

Year ended 31 August 2013

### 24. Reconciliation of net (Outgoing)/incoming resources to net cash inflow from operating activities

	2013 £	2012 £
Net incoming resources before transfers	(136,871)	2,962,041
Fixed assets transferred on conversion	-	(2,931,303)
Depreciation	157,181	84,002
Pension deficit transferred on conversion	-	212,000
Interest receivable	(265)	(84)
FRS 17 Pension cost less contributions payable	(1,000)	(6,000)
FRS 17 pension finance income	8,000	4,000
Decrease/(increase) in debtors	149,618	(215,645)
(Decrease)/increase in creditors	(6,528)	52,870
Cash transferred on conversion	-	(52,813)
Loss on disposal of fixed assets	509	-
<b>Net cash inflow from operating activities</b>	<b>170,644</b>	<b>109,068</b>

### 25. Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	265	84

### 26. Capital expenditure

	2013 £	2012 £
Purchase of tangible fixed assets	(256,054)	(21,797)
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(256,054)</b>	<b>(21,797)</b>

### 27. Analysis of changes in net funds

	1 Sep 12 £	Cash flows £	31 Aug 13 £
Cash in hand and at bank	140,168	(85,145)	55,023

### 28. 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