

**REGISTRAR'S COPY**

Company Registration No 07762548 (England and Wales)

**THE BROOKSBANK SCHOOL SPORTS COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2013**



# THE BROOKSBANK SCHOOL SPORTS COLLEGE

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# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

A Bryant (Director)  
M Bain (Director and Chair) \*  
G Newton (Director) \*  
K McCallion (Headteacher and Accounting Officer) \*#  
N Hutson (Resigned 31 March 2013)  
J Whitworth (Resigned 31 March 2013)  
Y Clegg \*  
N Kemp \*  
J Watson  
D Holbrook (Appointed 13 December 2012) \*  
J Kart (Resigned 15 October 2013)  
W Stephenson #  
C Porritt \*  
M Thornton #  
M Attmere  
C Marlor \*  
A Hardy #  
V Wood \*  
L Furness  
A Robinson (Appointed 28 November 2012) \*  
N Verdeyan (Appointed 24 June 2013)  
K Robertshaw (Appointed 24 June 2013)

\* members of the finance and general purposes committee

# members of the audit committee

### Senior management team

- Headteacher	Kevin McCallion
- Executive Headteacher	Jeanne Watson
- Deputy Head	Debbie Shutter
- Deputy Head	Susan Bracey
- Assistant Head	Lynne Buckingham
- Assistant Head	Dave Puddephatt
- Assistant Head	Mark Ragan
- Assistant Head	Rebecca Tickell
- School Administrator	Jane Blackburn

### Clerk to the governors

J Blackburn

### Company registration number

07762548 (England and Wales)

### Registered office

Victoria Road  
Elland  
HX5 0QG

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**

Simpson Wood  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

**Bankers**

Yorkshire Bank plc  
Southgate  
Elland  
HX5 0BP

**Solicitors**

Ramsdens Solicitors LLP  
Ramsdens  
Oakley House  
1 Hungerford Road, Edgerton  
Huddersfield  
HD3 3AL

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT

*FOR THE YEAR ENDED 31 AUGUST 2013*

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The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2012 to 31 August 2013

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

#### Constitution

The academy trust was incorporated on 5 September 2011 and opened as an Academy on 1 October 2011 and is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The governors are the trustees of The Brooksbank School Sports College and are also the directors of the charitable company for the purposes of company law. Details of the governors 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

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or a breach of duty or which was committed by Governors in reckless disregard to whether it was a breach of trust or breach of duty or not provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £1,000,000.

#### Principal activities

The principal activity is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary school for students of different abilities between the ages of 11-18, offering a broad and balanced curriculum with an emphasis on Sports.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Method of recruitment and appointment or election of governors

On 1 October 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust has the following Governors as set out in its Articles of Association and funding agreement:

- 3 trustees as named in the Articles of Association
- up to 3 Governors who are appointed by the trustees
- up to 1 LA Governor who is appointed by Calderdale MBC
- up to 7 Parent Governors who are elected by Parents/Carers of registered pupils at the Academy
- up to 3 staff Governors elected by the staff at the school
- up to 3 Community Governors who are appointed by the Governing Body
- the Headteacher who is treated for all purposes as being an ex officio Governor

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board gives consideration to the skills and experience mix of the existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

### Policies and procedures adopted for the induction and training of governors

The Academy has a Governor Recruitment, Induction and Training policy available from the Clerk to the Governors.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students. All Governors are provided with copies of policies, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. The Academy subscribes to the LA training package so that all Governors have access to training.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Organisational structure

The Full Governing Body normally meets once each term. At the AGM the Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. At termly meetings it receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 main working committees. The make-up, terms of reference and decisions for each committee are available from the Clerk to Governors. These committees meet termly to oversee their areas of responsibility.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Governors have devolved responsibility for the day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT).

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Team and Curriculum and Pastoral Leaders. The aim of the Leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Headteacher, 2 Deputy Headteachers, 5 Assistant Headteachers, and the School Administrator. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, School Administrator and Finance and General Purposes Committee are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budgets Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for permanent teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

### Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis through the governors meeting cycle.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Connected organisations and related party relationships

The Academy has strong collaborative links with nine feeder primary schools which form part of the The Brooksbank School Sports College Learning Community

The Brooksbank School Sports College works in partnership with Huddersfield University and Calderdale Metropolitan Borough Council on the Park Lane Learning Trust. A member of the School's governing body is a trustee

There are no related parties which either control or significantly influence the decisions and operations of The Brooksbank School Sports College. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

### **Objectives and activities**

#### Objects and aims

The principal object and activity of the Charitable Company is the operation of The Brooksbank School Sports College to provide free education and care for pupils of difference abilities between the ages of 11 and 18. The Academy's specialism is Sport.

The School Improvement Plan describes the school's vision to create an outstanding school based on a culture of aspiration and achievement.

The School is currently working to a three year plan 2011-14. Key priorities for the year 12/13 are contained in the School Improvement Plan which is available from the school. In addition to the objectives described in the previous annual report, the new ones include

#### Objectives, strategies and activities

##### **Raise standards at all key stages**

- Develop confident and independent learners through lesson planning/delivery and assessment

- Tackle subject underperformance

Develop strategies to close the gap between groups of students

##### **Develop an outstanding curriculum**

- Undertake a KS 4 curriculum review to further personalise the offer

- Develop new ICT strategy to support teaching and learning

##### **Develop our staff**

- Implement a programme of CPD to support teaching and learning priorities

- Develop systems and strategies to prepare for the new OfSTED framework

##### **Manage our priorities within local and national contexts**

- Develop local collaboration and partnership

- Implement an accommodation strategy to develop arts provision and post 16 spaces

##### **Celebrate our centenary**

- Develop an alumni association



# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Elland and the surrounding area. In particular, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of Sport. In addition the Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

### **Achievements and performance**

#### Achievements in the year

The school continues to be oversubscribed and is full in every year group.

#### Exam results

A level 2013	Points per entry @ level 3	208
	Points per student @ level 3	721
	Students passing 2+ A2/VCE	122
	% grades A*/A	22%
	% grades A* - C	73%
	% grades A* - E	99%
GCSE 2013	% 5A* - C including English & Maths	71%
	% 5A* - C	91%
	% 5A* - G	100%
	% 1A* - G	100%

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Key performance indicators

Using information contained within the publication from Barber Harrison & Platt some benchmarking has been possible. Year on Year comparisons are not available as the previous accounts are for 11 months only.

Measure	Brooksbank School Sports College (1,692 students)	Average across converter academies in 2012 (1,106 students)
Total income/student (exc catering)	£5,820	£5,715
Total GAG per student	£4,748	£5,022
GAG income ratio (exc catering)	81.5%	88.1%
Staff costs per student	£3,938	£4,038
Education costs per student	£401	£291
Premises costs (capital) per student	£876	£122
Repairs & maintenance per student	£120	£139
Staff costs % of total costs	65.2%	73.9%
Education costs % of total costs	8.5%	5.4%

Governors were satisfied with the outcomes across all measures.

During the year new boilers were installed, a new Expressive Arts block was constructed and the main dining room was completely renovated.

During the year, students and staff at the school raised £5,985. This was distributed to a number of organisations including Overgate Hospice, Red Nose Day, Readathon, Teenage Cancer Trust, Highbury Special School, Kirkwood Hospice, British Heart Foundation, LEPRA and Children in Need.

### 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 the governing body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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During the period ended 31 August 2013, total expenditure of £9,024,718 was covered by recurrent grant funding from the DfE, together with other incoming resources of £10,191,592. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension deficit) was £668,849.

At 31 August 2013 the net book value of fixed assets was £14,430,988 and movements in tangible fixed assets are shown in Note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 1st October 2011 at £13,028,362. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 19 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Governors have established an audit committee to oversee the management of internal risk. They have in turn appointed an internal auditor who has worked through an agreed programme. During the year, the audit committee received reports which contained no matters of significance.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 98% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Financial and risk management objectives and policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post-16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 19 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised. Readers should also note that 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.

### Reserves policy

The Governors review the reserve levels of the Academy on a regular basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £240,486, all of which are free reserves.

### Investment policy and powers

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and School Administrator within strict guidelines approved by the Governing Body.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Plans for the future**

The Brooksbank School Sports College will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Brooksbank School Sports College will also continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The Brooksbank School Sports College will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The school will be working in partnership with the Calderdale Commissioning Group on a joint project to create new sporting facilities on Hammerstones Playing fields site. The project is due for completion in July 2014.

Full details of our plans for the future are given in our School Improvement Plan, available from the school.

### **Funds held as custodian trustee**

The financial statements include the results of The Brooksbank School Sports College, Elland Charity, a registered charity (no 529169) which is under the control of the Governors of the Academy Trust. The object of the Charity is to provide funding towards bursaries and prizes for achievement for current students not normally provided by public funds. The Trustees are Lord Shutt, Norman Kemp and Marion Bain.

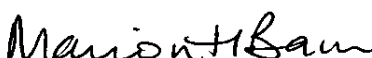
### **Auditor**

In so far as the governors are aware

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

A resolution proposing that Simpson Wood be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the governing body on 27 November 2013 and signed on its behalf by

+ 

M Bain  
Director and Chair

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform 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 The Brooksbank School Sports College and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
A Bryant (Director)	4	5
M Bain (Director and Chair)	5	5
G Newton (Director)	5	5
K McCallion (Headteacher and Accounting Officer)	5	5
N Hutson (Resigned 31 March 2013)	3	3
J Whitworth (Resigned 31 March 2013)	1	3
Y Clegg	5	5
N Kemp	5	5
J Watson	4	5
D Holbrook (Appointed 13 December 2012)	3	4
J Kart (Resigned 15 October 2013)	2	5
W Stephenson	4	5
C Porritt	5	5
M Thornton	4	5
M Attmere	4	5
C Marlor	3	5
A Hardy	3	5
V Wood	4	5
L Furness	4	5
A Robinson (Appointed 28 November 2012)	3	4
N Verdeyan (Appointed 24 June 2013)	1	1
K Robertshaw (Appointed 24 June 2013)	0	1

There were no key changes to the governing body during this period.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

The finance and general purposes committee is a sub-committee of the main governing body. Its purpose is to

### General Purposes

To advise the Governing Body on priorities, including Health and Safety, for the maintenance and development of the school's premises including the establishment and review of the Health and Safety Policy

To oversee arrangements for repairs and maintenance

To make recommendations on premises-related expenditure

In consultation with the Headteacher to oversee premises-related funding bids

To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to governing body policy

To establish and keep under review a Building Development Plan

To establish and keep under review an Accessibility plan

To ensure that the relevant insurances are in place as per the Academy's Financial Handbook

### Financial Responsibilities

In consultation with the Headteacher, review the first formal budget plan of the financial year and make recommendations to full governors

To establish and maintain an up to date 3 year financial plan

To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body

To approve financial policy statements including

- charges and remissions policies

- charges for School Lettings

- the price of school meals

To make decisions in respect of service agreements

To make decisions on expenditure following recommendations from other committees, ensuring as far as is practical, that Health and Safety issues are appropriately prioritised

To monitor expenditure of all voluntary funds kept on behalf of the Governing Body including a review of the audit report of such funds

Attendance at meetings in the year was as follows

Governors	Meetings attended	Out of possible
M Bain (Director and Chair)	1	3
G Newton (Director)	2	3
K McCallion (Headteacher and Accounting Officer)	3	3
Y Clegg	3	3
N Kemp	3	3
D Holbrook (Appointed 13 December 2012)	2	3
C Porritt	3	3
C Marlor	3	3
V Wood	3	3
A Robinson (Appointed 28 November 2012)	1	3

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The audit committee is a sub-committee of the main governing body. Its terms of reference are

### Effectiveness of financial control

- To review the effectiveness of financial and other control systems
- To ensure that all significant losses have been properly investigated and reported as appropriate
- To oversee the academy's policy on fraud and irregularity
- To oversee the academy's corporate governance arrangements including the code of practice for governing body members and code of conduct for staff
- To monitor the implementation of approved recommendations relating to both internal and external audit
- To monitor the effectiveness of the internal and external audit services and to promote co-ordination between the two
- To monitor the academy's arrangements to secure value for money

### Risk management

- To advise the governing body on risk management by
  - Becoming familiar with the concepts and requirements of risk management
  - Acting as a catalyst for risk management activity across the academy
  - Ensuring appropriate audit work on risk management
  - Collecting information on risks and risk management

### Internal audit

- To advise the governing body on the appointment and remuneration of the internal audit service
- To consider and advise the governing body on the audit needs assessment and the strategic and annual audit plans for the internal audit service
- To consider and advise the governing body on internal audit reports
- To receive an annual report from the internal auditor, which should include an opinion on the degree of assurance that can be placed on the system of internal control

### External control

- To advise the governing body on the appointment and remuneration of external auditors and the scope of their work
- To guide the external auditor on the nature and scope of the audit as necessary
- To consider and advise the governing body on external audit reports and management letter
- To consider the academy's financial statements as appropriate

### Other

- To receive and review relevant reports to audit such as those prepared by the National Audit Office
- To prepare an annual report for submission to the governing body on the work of the committee including an opinion on the effectiveness of the internal control system and the pursuit of WFM together with an assurance on risk management

Attendance at meetings in the year was as follows

Governors	Meetings attended	Out of possible
K McCallion (Headteacher and Accounting Officer)	3	3
W Stephenson	3	3
M Thornton	3	3
A Hardy	2	3



# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE 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 The Brooksbank School Sports College for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of governors 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 governors is of the view that there is a formal ongoing 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 accounts. This process is regularly reviewed by the board of governors.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,

- regular reviews by the finance and general purposes 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 governing body has considered the need for a specific internal audit function. Due to changes in the regulations, Governors appointed the Local Authority Internal Audit service to carry out the role of Responsible Officer. An agreed programme of work was carried out and finding reported to the audit committee. The Chair of the audit committee also spent time in school reviewing control systems. This has ensured that the RO function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of this work have been identified.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the audit committee of the governing body on the operation of the systems of control and on the discharge of the financial responsibilities of the governing body.

### **Review of effectiveness**

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the responsible officer,

- the work of the external auditor,

- the financial management and governance self-assessment process,

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the governing body on 27 November 2013 and signed on its behalf by

† 

M Bain  
Director and Chair

† 

K McCallion  
Headteacher and Accounting Officer

# **THE BROOKSBANK SCHOOL SPORTS COLLEGE**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013**


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As accounting officer of The Brooksbank School Sports College I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and 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 governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

Approved on 27 November 2013 and signed by

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K McCallion  
Accounting Officer

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The governors (who act as trustees for The Brooksbank School Sports College and are also the directors of The Brooksbank School Sports College for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the governing body on 27 November 2013 and signed on its behalf by

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M Bain  
Director and Chair

# **THE BROOKSBANK SCHOOL SPORTS COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE BROOKSBANK SCHOOL SPORTS COLLEGE**

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We have audited the accounts of The Brooksbank School Sports College for the year ended 31 August 2013 set out on pages 23 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the EFA.

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

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 18, the governors, who are also the directors of The Brooksbank School Sports College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts

give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006, and

have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

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

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

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE BROOKSBANK SCHOOL SPORTS COLLEGE

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

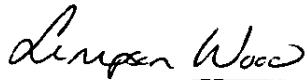
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the accounts are not in agreement with the accounting records and returns, or

certain disclosures of governors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit



**Daniel McAllister FCA (Senior Statutory Auditor)**  
for and on behalf of Simpson Wood

**Chartered Accountants**

**Statutory Auditor**

Bank Chambers

Market Street

Huddersfield

HD1 2EW

Dated 27 November 2013

# **THE BROOKSBANK SCHOOL SPORTS COLLEGE**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE BROOKSBANK SCHOOL SPORTS COLLEGE AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 05 July 2012 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 The Brooksbank School Sports College 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 The Brooksbank School Sports College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Brooksbank School Sports College 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 the The Brooksbank School Sports College and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of The Brooksbank School Sports College's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of The Brooksbank School Sports College's funding agreement with the Secretary of State for Education dated 23 September 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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 to our conclusion includes

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance which may include review and corroboration of the most recent Financial Management and Governance Evaluation or equivalent,

- evaluation of the general control environment of the academy, extending the procedures required for financial statements to include regularity,

- assessment and testing of a sample of the specific control activities over regularity of a particular activity,

- when performing sample testing of expenditure, considering whether the activity is permissible within the academy's framework of authorities

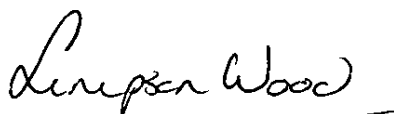
# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE BROOKSBANK SCHOOL SPORTS COLLEGE AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### 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

A handwritten signature in black ink, appearing to read 'Daniel McAllister', with a horizontal line drawn underneath it.

Daniel McAllister FCA (Senior Statutory Auditor)  
for and on behalf of Simpson Wood

Dated 27 November 2013



# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds	Restricted funds	Fixed Asset fund	Total 2013	Total 2012
	Notes	£	£	£	£	£
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	99,835	-	-	99,835	80,141
- Inherited on conversion		-	-	-	-	12,395,339
- Activities for generating funds	3	459,018	-	-	459,018	399,385
- Investment income	7	8,137	-	-	8,137	1,092
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	-	8,787,692	836,910	9,624,602	7,921,901
<b>Total incoming resources</b>		<b>566,990</b>	<b>8,787,692</b>	<b>836,910</b>	<b>10,191,592</b>	<b>20,797,858</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	5	39,243	-	-	39,243	-
- Fundraising trading	5	435,316	59,080	-	494,396	427,847
<i>Charitable activities</i>						
- Educational operations	6	89,857	8,046,207	338,885	8,474,949	7,420,685
Governance costs	8	-	16,130	-	16,130	15,300
<b>Total resources expended</b>	<b>5</b>	<b>564,416</b>	<b>8,121,417</b>	<b>338,885</b>	<b>9,024,718</b>	<b>7,863,832</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>2,574</b>	<b>666,275</b>	<b>498,025</b>	<b>1,166,874</b>	<b>12,934,026</b>
Gross transfers between funds		(234,191)	(805,837)	1,040,028	-	-
<b>Net income/(expenditure) for the year</b>		<b>(231,617)</b>	<b>(139,562)</b>	<b>1,538,053</b>	<b>1,166,874</b>	<b>12,934,026</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	221,000	-	221,000	(471,000)
<b>Net movement in funds</b>		<b>(231,617)</b>	<b>81,438</b>	<b>1,538,053</b>	<b>1,387,874</b>	<b>12,463,026</b>
Fund balances at 1 September 2012		472,103	(1,136,203)	13,127,126	12,463,026	-
<b>Fund balances at 31 August 2013</b>		<b>240,486</b>	<b>(1,054,765)</b>	<b>14,665,179</b>	<b>13,850,900</b>	<b>12,463,026</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	11	14,430,988	13,323,387
<b>Current assets</b>			
Stocks	12	3,254	3,172
Debtors	13	145,728	113,263
Cash at bank and in hand		1,014,687	784,517
		<u>1,163,669</u>	<u>900,952</u>
Creditors amounts falling due within one year	14	(409,806)	(270,313)
<b>Net current assets</b>		<u>753,863</u>	<u>630,639</u>
<b>Total assets less current liabilities</b>		<u>15,184,851</u>	<u>13,954,026</u>
Creditors amounts falling due after more than one year	15	(182,951)	(200,000)
<b>Net assets excluding pension liability</b>		<u>15,001,900</u>	<u>13,754,026</u>
Defined benefit pension liability	19	(1,151,000)	(1,291,000)
<b>Net assets</b>		<u>13,850,900</u>	<u>12,463,026</u>
<b>Funds of the academy trust</b>			
<b>Restricted income funds</b>	17		
- Fixed asset funds		14,665,179	13,127,126
- General funds		96,235	154,797
- Pension reserve		(1,151,000)	(1,291,000)
<b>Total restricted funds</b>		<u>13,610,414</u>	<u>11,990,923</u>
<b>Unrestricted funds</b>	17	<u>240,486</u>	<u>472,103</u>
<b>Total funds</b>		<u>13,850,900</u>	<u>12,463,026</u>

The accounts were approved by order of the governing body and authorised for issue on 27 November 2013

M Bain

Director and Chair

Company Number 07762548

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	20	882,880	923,844
Cash funds transferred on conversion		-	347,529
<b>Returns on investments and servicing of finance</b>			
Investment income	8,137	1,092	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		8,137	1,092
		891,017	1,272,465
<b>Capital expenditure and financial investments</b>			
Capital grants received	836,910	143,732	
Payments to acquire tangible fixed assets	(1,458,597)	(580,410)	
Receipts from sales of tangible fixed assets	12,111	-	
<b>Net cash flow from capital activities</b>		(609,576)	(436,678)
<b>Net cash inflow/(outflow) before financing</b>		281,441	835,787
<b>Financing</b>			
Repayment of long term government loan	(51,271)	(40,000)	
<b>Net cash inflow/(outflow) from funding</b>		(51,271)	(40,000)
<b>Increase/(decrease) in cash</b>	21	230,170	795,787

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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### 1 Accounting policies

#### 1.1 Basis of preparation

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

#### 1.2 Going concern

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

#### 1.3 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.

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### 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 the academy trust's policies.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

#### 1.4 Resources expended

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

##### Costs of generating funds

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.

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £ 5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold land is not depreciated.

Freehold buildings	2% straight line
Computer equipment	33 33% straight line
Fixtures, fittings & equipment	15% straight line

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

---

### 1 Accounting policies

(Continued)

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

For assets transferred from the predecessor school, depreciation is calculated on the original cost rather than the value at which the asset was transferred.

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.

#### 1.6 Leasing and hire purchase commitments

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

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### 1.8 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.

#### 1.9 Pensions benefits

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 and the assets are held separately from those of the academy trust.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

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 19, 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 are 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.

#### 1.10 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 Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Private sponsorship	58,664	-	58,664	80,141
Other donations	41,171	-	41,171	-
	<u>99,835</u>	<u>-</u>	<u>99,835</u>	<u>80,141</u>

During the year, the Academy received income from other secondary schools to support the Calderdale Association of Secondary Heads and managed this on all schools' behalf. All this income has been spent before the year end.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Hire of facilities	26,496	-	26,496	27,359
Catering income	423,586	-	423,586	367,242
Parental contributions	3,687	-	3,687	1,006
Other income	5,249	-	5,249	3,778
	<u>459,018</u>	<u>-</u>	<u>459,018</u>	<u>399,385</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b>DfE / EFA revenue grants</b>				
General annual grant (GAG)	-	8,034,063	8,034,063	7,290,980
Start up grants	-	-	-	25,000
Capital grants	-	836,910	836,910	143,732
Other DfE / EFA grants	-	336,491	336,491	159,435
	<u>-</u>	<u>9,207,464</u>	<u>9,207,464</u>	<u>7,619,147</u>
<b>Other government grants</b>				
Local authority grants	-	398,804	398,804	253,499
Other grants	-	-	-	46,757
	<u>-</u>	<u>398,804</u>	<u>398,804</u>	<u>300,256</u>
<b>Other funds</b>				
Other incoming resources	-	18,334	18,334	2,498
	<u>-</u>	<u>18,334</u>	<u>18,334</u>	<u>2,498</u>
<b>Total funding</b>	<u>-</u>	<u>9,624,602</u>	<u>9,624,602</u>	<u>7,921,901</u>



# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2013 £	Total 2012 £
<b>Academy's educational operations</b>					
- Direct costs	5,859,318	338,885	712,242	6,910,445	6,117,070
- Allocated support costs	713,655	202,982	647,867	1,564,504	1,303,615
	<u>6,572,973</u>	<u>541,867</u>	<u>1,360,109</u>	<u>8,474,949</u>	<u>7,420,685</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	3,941	-	35,302	39,243	-
Costs of activities for generating funds	208,479	-	285,917	494,396	427,847
Governance costs	-	-	16,130	16,130	15,300
	<u>212,420</u>	<u>-</u>	<u>337,349</u>	<u>549,769</u>	<u>443,147</u>
<b>Total expenditure</b>	<u>6,785,393</u>	<u>541,867</u>	<u>1,697,458</u>	<u>9,024,718</u>	<u>7,863,832</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2013 £</b>	<b>2012 £</b>
Operating leases				30,059	26,552
Fees payable to auditor					
- Audit				8,727	7,500
- Other services				1,512	850
				<u></u>	<u></u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 6 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b>Direct costs</b>				
Teaching and educational support staff costs	7,196	5,852,122	5,859,318	5,227,302
Depreciation	-	338,885	338,885	285,384
Technology costs	-	125,545	125,545	57,581
Educational supplies and services	51,588	286,577	338,165	329,940
Examination fees	-	188,417	188,417	189,460
Staff development	-	26,818	26,818	17,917
Educational consultancy	-	5,051	5,051	4,470
Other direct costs	20,916	7,330	28,246	5,016
	<u>79,700</u>	<u>6,830,745</u>	<u>6,910,445</u>	<u>6,117,070</u>
<b>Allocated support costs</b>				
Support staff costs	10,157	703,498	713,655	566,963
Technology costs	-	100,643	100,643	76,906
Recruitment and support	-	32,704	32,704	19,714
Maintenance of premises and equipment	-	202,982	202,982	179,524
Cleaning	-	12,964	12,964	22,563
Energy costs	-	126,599	126,599	105,711
Rent and rates	-	41,390	41,390	37,012
Insurance	-	78,872	78,872	86,185
Security and transport	-	43,953	43,953	29,014
Interest and finance costs	-	37,765	37,765	26,271
Other support costs	-	172,977	172,977	153,752
	<u>10,157</u>	<u>1,554,347</u>	<u>1,564,504</u>	<u>1,303,615</u>
<b>Total costs</b>	<u>89,857</u>	<u>8,385,092</u>	<u>8,474,949</u>	<u>7,420,685</u>

### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Short term deposits	<u>8,137</u>	<u>-</u>	<u>8,137</u>	<u>1,092</u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	5,891	5,891	5,088
Auditor's remuneration				
- Audit of financial statements	-	8,727	8,727	7,500
- Other audit costs	-	1,287	1,287	850
Other governance costs	-	225	225	1,862
	-	16,130	16,130	15,300

### 9 Staff costs

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

	2013 Number	2012 Number
Teachers	91	94
Administration and support	64	62
Management	9	9
	164	165

#### Costs included within the accounts.

	2013 £	2012 £
Wages and salaries	5,505,593	4,919,493
Social security costs	407,856	356,030
Other pension costs	793,625	649,379
	6,707,074	5,924,902
Supply teacher costs	78,319	38,569
Total staff costs	6,785,393	5,963,471

The number of employees whose annual remuneration was £60,000 or more was

	2013 Number	2012 Number
£60,000 - £70,000	2	3
£70,000 - £80,000	1	1
£90,000 - £100,000	1	1

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows

		2013	2012
Teachers' Pension Scheme	Numbers	4	5
	£	41,153	44,694
Local Government Pension Scheme	Numbers	-	-
	£	-	-

### 10 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 respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year, travel and subsistence payments totalling £127 (2012 £252) were reimbursed to 2 governors (2012 3 governors).

The value of governors' remuneration was as follows

K McCallion (headteacher) £105,000 - £110,000 (2012 £90,000-£95,000)  
 J Watson (executive headteacher) £60,000 - £65,000 (2012 £60,000-£65,000)  
 N Hutson (staff) £25,000 - £30,000 (2012 £40,000-£45,000)  
 J Whitworth (staff) £35,000 - £40,000 (2012 £45,000-£50,000)  
 Y Clegg (staff) £30,000 - £35,000 (2012 £25,000-£30,000)  
 K Robertshaw (staff) £10,000 - £15,000  
 N Verdeyan (staff) £10,000 - £15,000

Other related party transactions involving the governors are set out within the related parties note

#### Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,100 (2012 £1,149).

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2012	13,179,457	130,337	298,977	13,608,771
Additions	1,384,797	11,415	62,384	1,458,596
Disposals	(12,111)	-	-	(12,111)
At 31 August 2013	14,552,143	141,752	361,361	15,055,256
<b>Depreciation</b>				
At 1 September 2012	216,389	46,154	22,841	285,384
Charge for the year	236,130	45,746	57,008	338,884
At 31 August 2013	452,519	91,900	79,849	624,268
<b>Net book value</b>				
At 31 August 2013	14,099,624	49,852	281,512	14,430,988
At 31 August 2012	12,963,068	84,183	276,136	13,323,387

12 Stocks	2013 £	2012 £
Catering stock	3,254	3,172
	<u>3,254</u>	<u>3,172</u>
<b>13 Debtors</b>	<b>2013 £</b>	<b>2012 £</b>
VAT recoverable	71,801	21,944
Other debtors	4,697	20,612
Prepayments and accrued income	69,230	70,707
	<u>145,728</u>	<u>113,263</u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

<b>14 Creditors amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Government loans	40,543	40,000
Trade creditors	(888)	(140)
Other creditors	335,955	196,198
Accruals	21,867	23,214
Deferred income	12,329	11,041
	<u>409,806</u>	<u>270,313</u>
<b>15 Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Government loans	<u>182,951</u>	<u>200,000</u>
<b>Analysis of loans</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wholly repayable within five years	223,494	240,000
Less included in current liabilities	<u>(40,543)</u>	<u>(40,000)</u>
Amounts included above	<u>182,951</u>	<u>200,000</u>
<b>Loan maturity</b>		
Debt due in one year or less	40,543	40,000
In more than one year but not more than two years	42,489	40,000
In more than two years but not more than five years	140,462	160,000
	<u>223,494</u>	<u>240,000</u>
<b>16 Deferred income</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Deferred income is included within		
Creditors due within one year	<u>12,329</u>	<u>11,041</u>
Total deferred income at 1 September 2012	11,041	-
Amounts credited to the statement of financial activities	<u>(11,041)</u>	<u>-</u>
Amounts deferred in the year	12,329	11,041
<b>Total deferred income at 31 August 2013</b>	<u><b>12,329</b></u>	<u><b>11,041</b></u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 17 Funds

	Balance at 1 September 2012	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2013
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	154,797	8,034,063	(7,286,788)	(805,837)	96,235
Other DfE / EFA grants	-	336,491	(336,491)	-	-
Other government grants	-	398,804	(398,804)	-	-
Other restricted funds	-	18,334	(18,334)	-	-
	<u>154,797</u>	<u>8,787,692</u>	<u>(8,040,417)</u>	<u>(805,837)</u>	<u>96,235</u>
Funds excluding pensions	(1,291,000)	-	(81,000)	221,000	(1,151,000)
	<u>(1,136,203)</u>	<u>8,787,692</u>	<u>(8,121,417)</u>	<u>(584,837)</u>	<u>(1,054,765)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	142,621	836,910	(21,855)	-	957,676
Inherited fixed asset fund	12,499,374	-	(288,227)	-	12,211,147
Capital expenditure from GAG or other funds	485,131	-	(28,803)	1,040,028	1,496,356
	<u>13,127,126</u>	<u>836,910</u>	<u>(338,885)</u>	<u>1,040,028</u>	<u>14,665,179</u>
<b>Total restricted funds</b>	<u>11,990,923</u>	<u>9,624,602</u>	<u>(8,460,302)</u>	<u>455,191</u>	<u>13,610,414</u>
<b>Unrestricted funds</b>					
General funds	<u>472,103</u>	<u>566,990</u>	<u>(564,416)</u>	<u>(234,191)</u>	<u>240,486</u>
<b>Total funds</b>	<u>12,463,026</u>	<u>10,191,592</u>	<u>(9,024,718)</u>	<u>221,000</u>	<u>13,850,900</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Restricted fixed assets were funded by government grants and transfer from predecessor school.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2013 are represented by:</b>				
Tangible fixed assets	-	-	14,430,988	14,430,988
Current assets	240,486	465,498	457,685	1,163,669
Creditors amounts falling due within one year	-	(369,263)	(40,543)	(409,806)
Creditors amounts falling due after one year	-	-	(182,951)	(182,951)
Defined benefit pension liability	-	(1,151,000)	-	(1,151,000)
	<u>240,486</u>	<u>(1,054,765)</u>	<u>14,665,179</u>	<u>13,850,900</u>

### 19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund Both are defined-benefit schemes The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

##### The Teachers' Pension Scheme 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



# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 19 Pensions and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

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

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

#### 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 percent basis.

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 19 Pensions and similar obligations

(Continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13 per cent for employers and 6 - 13 per cent for employees. The estimated value of employer contributions for the forthcoming year is £223,000.

Due to the scheme being in deficit, an agreement has been entered into with the trustees to make additional contributions in addition to normal funding levels as directed by WYPF following the valuation. This year, an extra £28,300 has been paid.

	2013 £	2012 £
Employer's contributions	214,000	204,000
Employees' contributions	70,000	62,000
Total contributions	<u>284,000</u>	<u>266,000</u>

#### Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	4.70	4.70
Rate of increase for pensions in payment	2.80	2.20
Discount rate for scheme liabilities	4.50	4.10
Inflation assumption (CPI)	<u>2.80</u>	<u>2.20</u>

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

	2013 Years	2012 Years
Retiring today		
- Males	22	22
- Females	24	24
Retiring in 20 years		
- Males	24	24
- Females	<u>26</u>	<u>26</u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 19 Pensions and similar obligations

(Continued)

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

	2013 Expected return %	2013 Fair value £	2012 Expected return %	2012 Fair value £
Equities	7.90	2,118,460	7.50	1,621,680
Bonds	3.80	496,242	2.80	440,800
Cash	0.90	110,276	1.30	64,960
Property	7.40	87,060	7.00	83,520
Other assets	7.90	89,962	7.50	109,040
Total market value of assets		2,902,000		2,320,000
Present value of scheme liabilities - funded		(4,053,000)		(3,611,000)
Net pension asset / (liability)		(1,151,000)		(1,291,000)

The Brooksbank School Sports College employs a building block approach in determining the rate of return of Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principals. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2013.

The actual return on scheme assets was £327,000

#### Operating costs and income recognised in the statement of financial activities

	2013 £	2012 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(152,000)	(115,000)
Interest on pension liabilities	155,000	130,000
	3,000	15,000
<b>Other expenditure/(income)</b>		
Current service cost	292,000	206,000
Past service cost	-	-
	292,000	206,000
<b>Total operating charge/(income)</b>	295,000	221,000

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 19 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2013 £	2012 £
Actuarial (gains)/losses on assets actual return less expected	(175,000)	(98,000)
Experience (gains)/losses on liabilities	(46,000)	569,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	<u>(221,000)</u>	<u>471,000</u>
Cumulative (gains)/losses to date	<u>250,000</u>	<u>471,000</u>

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

	2013 £	2012 £
Opening defined benefit obligations	(3,611,000)	(2,660,000)
Current service cost	(292,000)	(206,000)
Interest cost	(155,000)	(130,000)
Contributions by employees	(70,000)	(62,000)
Actuarial gains/(losses)	46,000	(569,000)
Benefits paid	29,000	16,000
	<u>(4,053,000)</u>	<u>(3,611,000)</u>

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

	2013 £	2012 £
Opening fair value of scheme assets	2,320,000	1,857,000
Expected return on assets	152,000	115,000
Actuarial gains/(losses)	175,000	98,000
Contributions by employers	214,000	204,000
Contributions by employees	70,000	62,000
Benefits paid	(29,000)	(16,000)
	<u>2,902,000</u>	<u>2,320,000</u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 19 Pensions and similar obligations

(Continued)

#### History of experience gains and losses:

	2013 £	2012 £
Present value of defined benefit obligations	(4,053,000)	(3,611,000)
Fair value of share of scheme assets	2,902,000	2,320,000
Surplus / (deficit)	<u>(1,151,000)</u>	<u>(1,291,000)</u>
Experience adjustment on scheme liabilities	46,000	(569,000)
Experience adjustment on scheme assets	<u>175,000</u>	<u>98,000</u>

### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £	2012 £
Net income	1,166,874	12,934,026
Capital grants and similar income	(836,910)	(143,732)
Net deficit/(surplus) transferred on conversion	-	(12,395,339)
Net current assets other than cash transferred on conversion	-	102,448
Investment income	(8,137)	(1,092)
Financing costs	34,765	11,271
FRS17 pension costs less contributions payable	78,000	2,000
FRS17 pension finance income	3,000	15,000
Depreciation of tangible fixed assets	338,885	285,384
(Increase)/decrease in stocks	(82)	(3,172)
(Increase)/decrease in debtors	(32,465)	(113,263)
Increase/(decrease) in creditors	138,950	230,313
Net cash inflow/(outflow) from operating activities	<u>882,880</u>	<u>923,844</u>

### 21 Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
Increase/(decrease) in cash	230,170	784,517
Local authority loans	51,271	(240,000)
Adjustment to financing charge	(34,765)	-
Net funds at 1 September 2012	544,517	-
Net funds at 31 August 2013	<u>791,193</u>	<u>544,517</u>

# THE BROOKSBANK SCHOOL SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 22 Analysis of net funds

	At 1 September 2012 £	Cash flows £	Non-cash changes £	At 31 August 2013 £
Cash at bank and in hand	784,517	230,170	-	1,014,687
Debt due within one year	(40,000)	51,271	(51,814)	(40,543)
Debt due after one year	(200,000)	-	17,049	(182,951)
	(240,000)	51,271	(34,765)	(223,494)
Net balances	544,517	281,441	(34,765)	791,193

### 23 Commitments under operating leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
Expiry date		
- Within one year	23,264	-
- Between two and five years	28,284	35,223
	51,548	35,223

### 24 Related parties

Owing to the nature of the academy trust's operations and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

### 25 Members' liability

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