

Bluecoat Academy
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the period ended
31 August 2012



Company Registration No 07875164

Bluecoat Academy

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	B Chiplin Chair (appointed 28 November 2012) IC Abbott (appointed 14 December 2011) NC Blane (appointed 14 December 2011) JL Brown C Colbeck JT Craven JH Curran (appointed 29 February 2012) H Evans HH Gardner SE Hampton – Principal Accounting Officer JLA Hempstead (appointed 14 December 2011) JG Hutchinson VJ Ogier – Chair (appointed 14 December 2011, resigned 19 November 2012) BD Spencer – Responsible Officer (appointed 14 December 2011) M Walshe (appointed 14 December 2011) LK Watson (appointed 14 December 2011)
Company Secretary	M Lysenko
Senior Leadership Team	
Vice Principal of Innovation	D Hobbs (appointed 1 January 2013)
Vice Principal of Business and Finance	M Lysenko (appointed 1 September 2012)
Vice Principal	J Tickle
Principal and Registered Office	Aspley Lane Aspley Nottingham Nottinghamshire NG8 5GY
Company Registration Number	07875164 (England and Wales)
Independent Auditor	Baker Tilly St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	Lloyds TSB Bank PLC
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

Bluecoat Academy

GOVERNORS' REPORT

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Bluecoat Academy runs an Academy that was originally a local authority operated school in Nottingham that was founded in 1706 and converted to academy status on 1st January 2012. The Charitable Company was incorporated on 8th December 2011.

Bluecoat Academy is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 6th December 2011.

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

Members' liability

Bluecoat Academy is an exempt Charity and a Company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the Company in the event of the Company being wound up during the period of membership, or within one year thereafter.

The current members of the Charitable Company are Mrs Ronnie Ogier (resigned 19 November 2012), Mr Richard Eade, Mr Nigel Spraggins, Rev Jon Hutchinson and Professor Brian Chiplin.

Principal activities

The principal activity of Bluecoat Academy is currently to run an Academy for students aged 11 – 19, located in Nottingham.

Method of recruitment and appointment or election of governors

In line with the Articles of Association Members of the Academy Trust appoint

- 3 Governors from the Bluecoat Foundation Trust

- 7 Governors appointed by the Diocese of Southwell and Nottingham Educational Trust of whom

 - 1 may be nominated by the PCC of St Margaret Apsley, 1 by the PCC of St Mary Wollaton

- 4 staff Governors elected by the staff

In addition

- Nottingham City Council may appoint 1 governor

- Parents elect 3 Governors

- And the Principal is a governor ex officio

Governors are appointed for a period of four years. At the end of a four year term, retiring Governors are eligible for re-election.

The Governors have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New Governors are then sought with these skills as replacements when existing Governors stand down. It is anticipated that most new Governors will be drawn from the local community or others who have shown an interest in the future well being of the Academy and its students. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within Nottinghamshire.

Policies and procedures adopted for the induction and training of Governors

Individual Governors attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is up to date. A series of briefings for the Board and the Senior Leadership Team of the Academy as a whole is being designed that is based on areas of potential interest and/or concern.

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GOVERNORS' REPORT

Organisational structure

The Governors have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to Governors and appointing key members of staff

The Governing Body holds five meetings a year with the ability to hold additional meetings if required to consider specific agenda items. Additionally, ad hoc groups of Governors are established to consider specific issues and make recommendations to the Board. All decisions reserved to the Governors are taken by the Board as a whole. Board Committees meet five times each year to consider detailed matters and recommend decisions to the full Board.

There are two such committees

Finance and General Purposes Committee
Achievement and Standards Committee

Mr Bruce Spencer is the Responsible Officer and as such has an oversight role in relation to the systems and processes of control and risk management that operate throughout Bluecoat Academy.

The Principal is the Accounting Officer and works closely with both the other Governors and the senior staff of Bluecoat Academy.

The day-to-day management of Bluecoat Academy rests with the Principal who has overall responsibility for the Academy. The Principal is responsible for establishing a Senior Leadership Team, including the Vice Principals.

The Principal has delegated authority to appoint, discipline and dismiss staff with the exception of the Vice Principals for whom the Governing Body holds this authority. Financial authority is delegated in line with the Finance Policy that is approved by the Governing Body on an annual basis. If financial or other business decisions are required between meetings then the Chair of Governors and/or the Vice Chair of Governors have delegated authority to make such decisions and report back to the full Governing Body at the earliest opportunity. The Governing Body consider and approve the Business Plan and the Academy Improvement Plan annually in the first meeting of the academic year. These are monitored throughout the year, in line with an agreed timetable, by the two Governing Body Committees.

Finance and General Purposes Committee

- 1 The overall remit of the committee is to
 - advise the Governing Body on issues relating to the financial management of the Academy
 - advise the governing body on an appropriate staffing structure to ensure the effective and efficient running of the whole Academy
 - monitor arrangements for all appointments
 - advise the governing body on matters relating to staff pay, grading, welfare and conduct
 - advise on accommodation developments of the Academy including value for money and ensure the Governing Body is getting value for money
 - advise the Governing Body on all matters relating to the estates strategy, facilities management and health and safety
- 2 The Committee will have delegated powers regarding capital projects and health and safety within the policies approved by the Governing Body.

Achievement and Standards Committee

- 1 The overall remit of the committee is to
 - advise the Governing Body on the overall structure and development of the curriculum
 - advise the Governing Body on annual targets for student achievement
 - advise the Governing Body on student achievement and the effectiveness of teaching and learning
 - review and advise the Governing Body on external reports received by the Academy
 - advise the Governing Body on student well being, safeguarding and behaviour
 - ensure that the Academy adheres to national and local policies and guidance in respect of students and the curriculum

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GOVERNORS' REPORT

- 2 The Committee will have delegated powers regarding student discipline and curriculum development within the policies approved by the Governing Body

The Governing Body review the membership and Terms of Reference for each committee at the end of the academic year. The Chairs of each committee are appointed by the full Governing Body for a three year period.

For the Academic Year 2012/13 the membership of each committee is

Finance and General Purposes

Sian Hampton	Ex Officio
Ronnie Ogier	Ex Officio (resigned 19 November 2012)
Jason Brown	Chair
Chris Colbeck	
Hilary Evans	
Jenny Hempstead	
Michelle Walshe	
Lyn Watson	
Brian Chiplin	Ex Officio (appointed 28 November 2012)

Achievement and Standards

Sian Hampton	Ex Officio
Ronnie Ogier	Ex Officio (resigned 19 November 2012)
Ian Abbott	Chair
Nick Blane	
Brian Chiplin	
John Craven	
Henry Curran	
Hugh Gardener	
Jon Hutchinson	
Bruce Spencer	

Jamie Tickle	Non-voting
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Maria Lysenko	Non-voting
Derek Hobbs	Non-voting

Risk management

The Governors have assessed the major risks to which the Academy is exposed. The Governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Academy grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement). Where significant financial risk still remains Governors have ensured they have adequate insurance cover.

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. The 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.

Connected organisations, including related party relationships

Bluecoat Academy works in close partnership with the Diocese of Southwell and Nottingham and the Nottingham Bluecoat School Foundation Trust. The former are the legal freehold owners of the land that the Academy is situated upon and the latter hold this land as custodian trustees.

There are no related parties which either control or significantly influence the decisions and operations of Bluecoat Academy.

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GOVERNORS' REPORT

OBJECTIVES AND ACTIVITIES

Objects and aims

Charitable Objectives

The charitable objectives for which the charitable company was established are set down in the governing document as follows

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement), and in having regard to the advice of the Diocesan Board of Education ("the Academy")

Charitable Activities

The principal activity of Bluecoat Academy is currently to run an Academy for students aged 11 – 19, located in Nottingham

Objectives, strategies and activities

For the period under review, Bluecoat Academy met its core objectives as outlined and explained in the Review of Activities section below

Public benefit

The Governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Governors' Annual Report

Benefits & Beneficiaries

In accordance with its charitable objectives, the Charitable Company strives to advance the education of the students attending the Academy. The Charitable Company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the Academy.

Governors' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Governors gather evidence of the success of Bluecoat Academy's activities

ACHIEVEMENTS AND PERFORMANCE

Review of Activities & Events

2011-12 has been Bluecoat's most successful year so far. The GCSE results were the best ever for Bluecoat and beat all targets rising as they did to 95% 5 A*-C. At A2 students achieved 100% pass rate with the percentage of students achieving A and B grades at A2 increasing from 47.9% to 50%. One member of the Senior Leadership Team has become an SLE (specialist leader in education). Two further members of the SLT have applied this year for this role. Bluecoat has become a hub for Google, Microsoft and Frog.

Pupil Achievement

- 95% students achieved 5+ A*-C [2011 was 86%], 2012 target was 79%
- 72% students achieved 5 A*-C including English & Mathematics [2011 was 63%], 2012 target was 62%
- English Language obtained 75% A*-C [2011 was 78.5%], target was 77%
- English Literature achieved 96% A*-C [2011 was 74%], target was 79%
- Mathematics achieved 82% A*-C [2011 was 78%], target was 69%
- Both English and Mathematics results improved. The success of early entry for year 11 has been shown again this year with English also undertaking early entry in January 2012. This has impacted on both Maths and English results but more importantly the pass rate of students taking both of

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these exams. In English action was taken to reduce the number of students doing both English and English Literature as this was a factor identified for students not achieving their predicted grades, especially those in the middle.

- The changes implemented in the curriculum this year have allowed most teaching staff using Thursday afternoons to receive high quality training as well as to provide time to work on schemes of work and lesson plans. There have also been opportunities for genuine peer led training. This year we have started a wide range of working parties in order to develop some key approaches to teaching and learning across the Academy. The culture of the Academy is changing so that teachers share their own strengths and successes more readily and are being held to account in a more professional way.
- In 2011-12 the Academy hit its target of 85% of lessons to be judged good or outstanding. There is a rigorous self-evaluation schedule in place which both supports and challenges staff. Now that the Ofsted judgement of 'satisfactory' has been replaced with 'requires improvement,' we are determined that the number of lessons judged at this level will be reduced. A team of 12 staff were trained as peer coaches last summer and have begun their work this autumn term. Each coach works with up to three staff to help support them to improve their practice. This work is non-judgemental and not related to any formal performance management processes.
- Behaviour management has become a priority this year as we have re-organised the Pastoral team to provide much more immediate support for students and staff. These changes have already paid off with a 20% reduction in exclusions and a 26% reduction in negative sleuths. This has happened alongside a 223% increase in positive sleuths and a new students-led rewards structure where students can 'cash in' their rewards for prizes ranging from free Prom tickets to iTunes vouchers.
- Governors approved investment in our Literacy strategy in 2011-12. Two Literacy Co-ordinators have been appointed and the fantastic work they began this last year has shown an improvement in reading ages and this work continues to develop. A priority for 2012-13 is to complement this with a numeracy initiative.
- The student numbers and achievements in Post 16 are now reaching outstanding levels. 360 students have been recruited (beating our target of 350) in September 2012. Students achieved better A level results than ever before. The head of Post 16 has been recognised as a SLE (specialist leader in education). This role involves directly supporting four other schools in their development.
- The new funding arrangements for the Academy have allowed us to implement our new Pastoral staffing plan, appoint our Literacy Co-ordinators and carry out some pressing remedial capital works that we were able to budget for.
- The Academy has increased its PAN (pupil admission number) to 330. This will increase the student numbers by 150 in 5 years, increasing our funding but also allowing us to provide a Bluecoat education for more students. Each year we are oversubscribed by almost 3 applicants to every student who successfully gains a place at the Academy.
- Bluecoat Academy is now a lead Academy for a number of software and ICT developments. The Virtual Learning Environment, Frog, has worked so well for us that other schools and Academies most recently Top Valley School in Nottingham and The Long Eaton School in Derbyshire, are now working with Bluecoat Academy and Frog to develop their own VLE experience. A member of our SLT has recently delivered a session at the most recent Frog VLE conference about the impact of our work in this area.
- Bluecoat Academy is exploring GoogleApps in Education and already have a full programme of training for the staff at Bluecoat Academy and other schools in Promethean. Bluecoat Academy will shortly be accredited as a Promethean Training School. Bluecoat Academy is also expecting to hear back about our application to become Microsoft Academy in the near future, to be able to support other schools and academies in their work embedding ICT into their curriculum.
- Bluecoat Academy has been asked by Nottingham Trent University to help establish the 'Computing At School' (CAS) hub for the Midlands region. This work will support teachers in other schools to deliver Computing, especially those who are new to the subject and to coincide with the introduction of Computing GCSE.

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Going concern

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

Key financial performance indicators

Indicators, Milestones & Benchmarks

The Governors use the following key measures to assess the success of the activities of the charitable company.

1. Achievement

- All students to achieve target grades and make at least expected progress. Academy to achieve FFT D predictions at GCSE and ALPs predictions at Post 16 and in addition it is anticipated that the Academy adds further value.

2. Teaching and Learning

- Develop a clear core pedagogy and implement across the whole Academy
- Improvement in quality of teaching and learning for all students
- All students have access to FROG to maximise all learning opportunities
- Ensure AFL / marking is rigorous to ensure the validity of progress checks against target grades
- Number of good and outstanding lessons observed to hit set target

3. Behaviour and Safety

- All students to be engaged in learning every lesson
- Students' enjoyment of Academy life improved
- Students are given the maximum opportunities to achieve in a wide range of activities
- Number of fixed term and permanent exclusions to reduce in line with targets
- Student attendance to hit set target of 95%

4. Leadership and Management

- All students are valued and nurtured within the context of a Christian Academy
- The Academy fosters excellent relationships with its local community and its parents
- All staff are valued and supported in their own career progression
- Governance is regularly evaluated and relevant training undertaken

FINANCIAL REVIEW

Financial Outcome of Activities & Events

Most of the Company's income in the period was obtained from the DFE (Department for Education) and the EFA (Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received for the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP Accounting by Charities, grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

The main financial performance indicator is the management of spending against the General Annual Grant (GAG) which requires special attention as the amount of carry forward is restricted. In period under review £362,151 was carried forward representing 5% of GAG. The Academy's operating income amounted to £7,818,102 with operating expenses amounting to £7,456,012 (a surplus of £362,090). The level of funding the Academy receives is based on pupil numbers. The Academy continues to be oversubscribed.

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The Academy's cashflow position is good. The net increase in cash balance for the period amounted to £1,055,679.

As at 31st August 2012 the net book value of fixed assets was £41,061,088 as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy. The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 30th March 2012 at £39,900,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£237,923) was transferred across on conversion and is shown as unrestricted funds. The predecessor school had entered into loan arrangements with the Local Authority and the Bluecoat Foundation Trust. The balance of these loans (£2,197,332) was transferred to the Academy on conversion. During the period the Academy made capital repayments against these loans amounting to £443,567.

On conversion on the 1st January 2012, the Academy was transferred a pension fund liability amounting to £1,179,000. During the period further losses were accumulated and the pension fund deficit at 31st August 2012 was £1,545,000.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management and limits of delegated authority for spending. Other policies reviewed and updated included the Charging Policy and the Lettings Policy.

Governors have appointed Mr Bruce Spencer, a Governor who is not a member of the Finance and General Purposes Committee, to undertake a programme of internal checks on financial controls. The Responsible Officer is supported in this work by external professional advisors, Smith Cooper LLP. During the period, two internal control audits were carried out. Governors have received the reports which did not contain any matters of significance. All recommendations made have been noted and actioned.

Principal risks and uncertainties

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

The Academy has considerable reliance on continued Government funding through the Education Funding Agency. A new National Funding Formula will be introduced effective for the 2013/14 Academic Year. The effect that this change in funding will have on the Academy's income is unknown at this time.

Failures in governance/management and in particular the risk that arises from the 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.

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

Reserves policy

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the charitable company had free reserves of £277,388.

The Governors intend to utilise these reserves in the near future to improve the infrastructure of the Academy's premises that were inherited from the local authority.

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Investments Policy

The Governors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law

The charitable company's current policy is to invest surplus funds in short-term cash deposits

PLANS FOR FUTURE PERIODS

Future Strategy

We will be an outstanding beacon of Christian education in Nottingham and the region

We will have enhanced our local and national reputation by increasing the number of students gaining places on the most competitive courses at the UK's very best universities

One of our aims is to become a Teaching School and we aspire to become an Academy sponsor

Our success in providing an excellent education for young people in the City of Nottingham will be recognised nationally and internationally as we develop our innovative approach to inclusive, enriching and balanced cross curricular teaching, preparing young people for lifelong learning based firmly on our Christian principles

Future Activities & Events

Our student achievement will continue to improve and we will be in the top 5% nationally

Over the next three years we aim for Bluecoat Academy to be judged as outstanding by Ofsted

We will respond to the Government concern over literacy

We will have increased our student numbers as a partial response to demand

We will have increased our numbers in the VIth form to 500

We will have realised our ambitions to upgrade and expand the Aspley Lane Campus

We will have supported at least two other schools to improve through working as an Academy Sponsor

Impact of Future Activities & Events

Governors will hold the Academy to account through its annual Academy Improvement Plan. In addition medium and long term planning will be measured against those targets set out in the Academy Business Plan

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Bluecoat Academy does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for any third party

POST BALANCE SHEET EVENTS

During the course of the period, Building Schools for the Future ("BSF") have been undertaking a new building project at the Wollaton Park campus. After the end of the period, in October 2012, part of this project was completed and a building block valued by BSF at £1,050,000 was handed over to the Academy Trust. This will be capitalised in the 2012/13 year and depreciated once brought into use.

Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

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GOVERNORS' REPORT

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Board at its meeting on 12 December 2012 and signed on its behalf by



B Chiplin
Chair

Bluecoat Academy

GOVERNANCE STATEMENT

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Bluecoat Academy 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 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
Ian Abbott	3	3
Nick Blane	2	3
Jason Brown	3	3
Brian Chiplin	3	3
Chris Colbeck	3	3
John Craven	2	3
Hilary Evans	1	3
Hugh Gardner	2	3
Sian Hampton	3	3
Jenny Hempstead	2	3
Jon Hutchinson	3	3
Ronnie Ogier	2	3
Bruce Spencer	3	3
Lyn Watson	2	3
Michelle Walshe	2	3
Henry Curran	2	2

The Finance and General Purposes Committee is a sub-committee of the main governing body. The full remit of the committee is disclosed in the Governors' report. During the period the committee met 3 times.

Governor	Meetings attended	Out of possible
Jason Brown	3	3
Chris Colbeck	3	3
Hilary Evans	1	3
Sian Hampton	2	3
Jenny Hempstead	3	3
Ronnie Ogier	3	3
Michelle Walshe	3	3
Lyn Watson	2	3

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GOVERNANCE STATEMENT

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 Bluecoat Academy for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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 and has decided not to appoint an internal auditor. However, the Governors have appointed Mr B. Spencer, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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GOVERNANCE STATEMENT

Review of Effectiveness

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

- the work of the Responsible Officer supported by Smith Cooper LLP,
- 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 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 members of the Governing Body on 12 December 2012 and signed on its behalf by



B Chiplin
Chair



S Hampton
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Bluecoat Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any 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 irregular, impropriety or funding non-compliance have been discovered to date.



S Hampton
Accounting Officer

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STATEMENT ON GOVERNORS' RESPONSIBILITIES

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

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

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

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

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

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

Approved by order of the members of the governing body on 12 December 2012 and signed on its behalf by



B Chiplin

Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUECOAT
ACADEMY
PERIOD ENDED 31 AUGUST 2012**

We have audited the financial statements of Bluecoat Academy for the period ended 31 August 2012 on pages 18 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 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,
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

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

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

Baker Tilly UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

St Philips Point

Temple Row

Birmingham

B2 5AF

Date

17 December 2012

BLUECOAT ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES
(including Income & Expenditure Account)
for the period ended 31 August 2012

		9 month period Ended 31 August 2012			
	Notes	Unrestricted Funds	Restricted Funds		Total 2012
			General	Fixed Assets	
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	6,055	-	238,607	244,662
Activities for generating funds	3	349,507	-	-	349,507
Voluntary income transfer from Local Authority on conversion	22	244,776	-	41,125,198	41,369,974
Investment income	4	1,594	-	-	1,594
Incoming resources from charitable activities					
Academy's educational operations	5	-	7,818,102	-	7,818,102
TOTAL INCOMING RESOURCES		601,932	7,818,102	41,363,805	49,783,839
RESOURCES EXPENDED					
Academy's educational operations	6	(324,544)	(7,456,012)	-	(7,780,556)
Other resources expended					
Transfer from Local Authority on conversion	22	-	(1,179,000)	(2,197,332)	(3,376,332)
Governance costs	8	-	(30,939)	-	(30,939)
TOTAL RESOURCES EXPENDED		(324,544)	(8,665,951)	(2,197,332)	(11,187,827)
NET (OUTGOING)/ INCOMING RESOURCES & NET (EXPENDITURE)/INCOME FOR THE PERIOD					
		277,388	(847,849)	39,166,473	38,596,012
TRANSFERS					
Gross transfers between funds		-	633,265	(633,265)	-
OTHER RECOGNISED GAINS/LOSSES					
Actuarial losses on defined benefit pension schemes	15	-	(335,000)	-	(335,000)
NET MOVEMENT IN FUNDS		277,388	(549,584)	38,533,208	38,261,012
RECONCILIATION OF FUNDS					
Fund balances brought forward At 8 December 2011		-	-	-	-
FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2012	16	277,388	(549,584)	38,533,208	38,261,012

The net movement in funds for the period arises from the charitable company's continuing operations

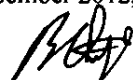
No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the statement of financial activities

BLUECOAT ACADEMY
BALANCE SHEET
as at 31 August 2012

Company number: 07875164

	Notes	2012 £	£
FIXED ASSETS			
Tangible assets	12		41,061,088
CURRENT ASSETS			
Debtors	13	172,745	
Cash at bank and in hand		1,055,679	
		<u>1,228,424</u>	
Creditors Amounts falling due within one year	14	(1,173,301)	
NET CURRENT ASSETS			<u>55,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>41,116,211</u>
Creditors Amounts falling due in more than one year	14		(1,310,199)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>39,806,012</u>
Pension scheme liability	15		(1,545,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>38,261,012</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Fixed asset fund	16		38,533,208
General	16		995,416
Pension reserve			(1,545,000)
TOTAL RESTRICTED FUNDS	17		<u>37,983,624</u>
UNRESTRICTED FUNDS			
General fund	16		277,388
TOTAL UNRESTRICTED FUNDS	17		<u>277,388</u>
TOTAL FUNDS			<u><u>38,261,012</u></u>

The financial statements on pages 18 to 39 were approved by the Governors and authorised for issue on 12 December 2012, and are signed on their behalf by



B. Chiplin
Chair

BLUECOAT ACADEMY
CASH FLOW STATEMENT
for the period ended 31 August 2012

	Notes	9 month period ended 31 August 2012
Net cash inflow from operating activities	10	1,828,885
Capital expenditure	10	(569,156)
Return on investment and servicing of finance	10	(441,973)
Cash acquired on conversion to Academy Trust	22	237,923
Increase in cash for the period	11	<u>1,055,679</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS		
Net funds at 31 August 2012	11	<u>1,055,679</u>

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2011/12 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

GOING CONCERN

The financial statements have been prepared under the going concern basis. No material uncertainties related to events or conditions cast a significant doubt on the ability of the Academy to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of approval of these financial statements. Bluecoat Academy has secured funding of £10,914,154 from the EFA for the next academic year.

INCOMING RESOURCES

Grants receivable for tuition and other wider educational activities, other operating income, rental income, and investment income are accounted for on an accruals basis. Income is recognised as receivable and excluding any relevant Value Added Tax when earned by the charitable company.

General donations and other similar types of voluntary income are brought into account when received, except that donated income is included gross of any attributable tax recoverable, where relevant. Donated assets, donated services and gifts in kind are recognised in the statement of financial activities at their fair value to the charitable company in the period in which they are receivable, and where the benefit to the charitable company is both quantifiable and material.

All sources of income given for specific purposes are treated as restricted income.

RESOURCES EXPENDED

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by or services performed for the charitable company are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability. Resources expended are therefore generally recognised in the period in which they are incurred and include any elements of irrecoverable Value Added Tax.

Resources expended are allocated to the charitable company's principal activity, to the costs of generating funds or to governance costs, where the costs involved can be identified as being directly related to those categories. All other costs are categorised as support costs and are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Governance costs are the costs associated with running the charitable company as a charitable company, and in particular include a proportion of staff costs, the costs of governors' meetings and audit fees.

TAXATION

The charitable company is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for United Kingdom corporation tax purposes. Accordingly, the charitable company 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.

TANGIBLE FIXED ASSETS

All tangible assets purchased that have a cost that exceeds £3,000 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Long leasehold buildings	- 50 years straight line
Computer equipment	- 4 years straight line
Plant and machinery	- 10 years straight line
Fixtures and fittings	- 10 years straight line

A full year's depreciation is charged in the year of acquisition.

PENSION 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 15, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

LEASED ASSETS AND OBLIGATIONS

All leases are “operating leases” and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term

FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charitable company

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the governors. The use of designated funds remains at the discretion of the governors

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet

CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred upon conversion from the maintained school, The Nottingham Bluecoat School and Technology College (voluntary aided school), to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bluecoat Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the statement of financial activities and analysed under unrestricted, restricted general and restricted fixed asset funds

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

		9 month period ended 31 August 2012 £
1	GENERAL ANNUAL GRANT (GAG)	
	Results and carry forward for the period	
	GAG allocation for the current period	6,971,972
	Total GAG available to spend	6,971,972
	Recurrent expenditure from GAG	(6,609,821)
	Fixed assets purchased from GAG	-
	GAG carried forward to the next year	362,151
	Maximum permitted GAG carry forward at the end of current period (12% of allocation for current period)	836,637
	GAG surrender to DfE (12% rule breached if result is positive)	(474,486)
		(no breach)

		9 month period ended 31 August 2012			Total 2012 £
		Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	
2	VOLUNTARY INCOME				
	Assets and liabilities inherited upon conversion				
	Agreed cash settlements	244,776	-	-	244,776
	Fixed assets inherited	-	-	41,125,198	41,125,198
	Other donation income	6,055	-	-	6,055
	Capital grants	-	-	238,607	238,607
		250,831	-	41,363,805	41,614,636
3	ACTIVITIES FOR GENERATING FUNDS				
	Trip income	112,059	-	-	112,059
	Catering income	141,149	-	-	141,149
	Student teacher income	10,433	-	-	10,433
	Work place parking income	10,486	-	-	10,486
	Sales of goods/services	28,672	-	-	28,672
	Sundry lettings and hire of facilities	38,878	-	-	38,878
	Other income	7,830	-	-	7,830
		349,507	-	-	349,507

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

<u>9 month period ended 31 August 2012</u>				
	Unrestricted	Restricted Funds		Total
	Funds	General	Fixed Assets	2012
	£	£	£	£
4 INVESTMENT INCOME				
Bank interest receivable on short term cash deposits	1,594	-	-	1,594

<u>9 month period ended 31 August 2012</u>				
	Unrestricted	Restricted Funds		Total
	Funds	General	Fixed Assets	2012
	£	£	£	£
5 EDUCATIONAL OPERATIONS INCOME				
Core academy funding				
General Annual Grant (GAG) – see note 1	-	6,971,972	-	6,971,972
Other government funding				
Rates and insurance income	-	116,496	-	116,496
Pupil premium	-	139,072	-	139,072
Special Educational Needs income	-	578,594	-	578,594
16-19 bursary	-	6,080	-	6,080
Other funding	-	5,888	-	5,888
	-	7,818,102	-	7,818,102

<u>9 month period ended 31 August 2012</u>				
	Unrestricted	Restricted Funds		Total
	Funds	General	Fixed Assets	2012
	£	£	£	£
6 SCHOOL OPERATING COSTS				
Direct costs				
Teaching – staff costs	-	4,434,575	-	4,434,575
Teaching – other costs	98,964	797,374	-	896,338
Welfare – staff costs	69,924	365,489	-	435,413
Welfare – other costs	71,685	77,763	-	149,448
Premises – staff costs	-	67,476	-	67,476
Premises – other costs	5,179	542,578	-	547,757
	245,752	6,285,255	-	6,531,007
Support costs – see note 7	78,792	1,170,757	-	1,249,549
	324,544	7,456,012	-	7,780,556

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

		<u>9 month period ended 31 August 2012</u>		
		Unrestricted Funds	Restricted Funds General	Total 2012
7	SUPPORT			
	Staff costs	-	491,783	491,783
	Depreciation – owned assets	-	155,523	155,523
	Depreciation – leased assets	-	477,743	477,743
	Net finance expense on pension scheme assets and liabilities – see note 15	-	34,000	34,000
	Other costs	78,792	11,708	90,500
		<u>78,792</u>	<u>1,170,757</u>	<u>1,249,549</u>

The charitable company strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved and/or the nature of the cost

		<u>9 month period ended 31 August 2012</u>		
		Unrestricted Funds	Restricted Funds	Total 2012
8	GOVERNANCE COSTS			
	Audit of financial statements	-	11,000	11,000
	Legal and professional fees	-	19,139	19,139
	Outsourced responsible officer work	-	800	800
		<u>-</u>	<u>30,939</u>	<u>30,939</u>

Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £11,000. Included in legal and professional fees are amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £6,450.

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

9 month period ended
31 August 2012

9 STAFF COSTS

No

The average monthly number of persons employed by the charitable company (excluding governors) during the period was as follows

Teaching	148
Administration and support	79
Management	9
	<u>236</u>

£

Staff costs for the above persons	
Wages and salaries	4,441,320
Social security costs	327,949
Pension costs - defined benefit schemes	
Teachers' Pension Scheme	405,710
Local Government Pension Scheme	162,000
Agency costs	91,310
	<u>5,428,289</u>

2012

No

The number of employees whose emoluments for the period exceeded £60,000 (annualised) fell within the following ranges

£60,001 to £70,000	6
£90,001 to £100,000	<u>1</u>

The charitable company made contributions to pension schemes on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the period amounted to £67,120

No other member of staff received total emoluments in excess of £60,000 during the current period

9 STAFF COSTS (Continued)

GOVERNORS' REMUNERATION AND EXPENSES

In addition to being the accounting officer (and also a governor), S Hampton was the Principal. In respect of her role as Principal, S Hampton received emoluments for qualifying services amounting to £95,213 (annualised) and the charitable company incurred pension costs of £12,789 in respect of the pension benefits accruing.

In addition to being governors, J Craven, C Colbeck, H Gardner and M Walshe were also members of staff. In respect of their role as members of staff, these governors received aggregate emoluments for qualifying services amounting to £182,203 (annualised) and the charitable company incurred aggregate pension costs of £26,617 in respect of the pension benefits accruing to them.

Other than as disclosed above, none of the governors received any remuneration for services as a trustee of the charity or as a director of the company during the current period. None of the governors received reimbursement for travel expenses incurred in relation to the charitable company during the period.

GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice Bluecoat Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Bluecoat Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,270.

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

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

9 month period ended
31 August 2012

10 RECONCILIATION OF NET INCOME TO NET CASH INFLOW
FROM OPERATING ACTIVITIES

Net income	38,261,012
Fixed assets acquired on conversion	(41,125,198)
Loans acquired on conversion	2,197,332
Cash acquired on conversion	(237,923)
FRS 17 Pension liability on conversion (note 22)	1,179,000
FRS 17 Actuarial loss (note 15)	335,000
FRS 17 Pension service cost less contributions paid (note 15)	(3,000)
FRS 17 Pension finance expense (note 15)	34,000
Depreciation	633,265
Interest receivable	(1,594)
Increase in debtors	(172,745)
Increase in creditors	729,736
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>1,828,885</u>
RETURN ON INVESTMENT AND SERVICING OF FINANCE	
Interest received	1,594
Loan repayments	(443,567)
	<u>(441,973)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(569,156)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE FINANCIAL INVESTMENT	<u>(569,156)</u>

11 ANALYSIS OF CHANGES IN NET FUNDS

	At 8 December 2011 £	Cash flows £	At 31 August 2012 £
Cash in hand and at bank	-	1,055,679	1,055,679
TOTAL	<u>-</u>	<u>1,055,679</u>	<u>1,055,679</u>

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

12 TANGIBLE ASSETS

	Leasehold land and buildings £	Computer equip- ment £	Plant and machinery £	Fixtures and fittings £	TOTAL £
Cost or valuation					
1 January 2012 on conversion	39,900,000	157,840	54,224	1,013,134	41,125,198
Additions	135,342	327,614	55,902	50,298	569,156
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31 August 2012	40,035,342	485,454	110,126	1,063,432	41,694,354
Depreciation					
Charge in the year	477,743	70,159	16,217	69,147	633,266
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2012					
Net book value					
31 August 2012	39,557,599	415,295	93,909	994,285	41,061,088
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The leasehold land and buildings inherited by the charitable company upon conversion were valued at £39,900,000 on a depreciated replacement cost basis by FHP Property Consultants. The land element of this valuation was £4,204,000.

31 August
2012

13 DEBTORS

Amounts falling due within one year	
Trade debtors	6,569
Other tax and social security costs	128,971
Prepayments and accrued income	37,205
	<hr/>
	172,745
	<hr/>

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

	31 August 2012 £
14 CREDITORS	
Amounts falling due within one year	
Trade creditors	163,968
Loans	443,566
Other tax and social security costs	167,425
Other creditors	4,710
Accruals	350,812
Deferred income (see below)	42,820
	<u>1,173,301</u>

<u>Deferred income</u>	31 August 2012 £
Trips occurring 2012/2013	20,120
16-19 bursary 2012/2013	22,700
	<u>42,820</u>

	31 August 2012 £
Amounts falling due in more than one year	
Loans	<u>1,310,199</u>
Analysis of debt maturity	
Amounts payable	
In one year or less	443,566
In more than one year but less than two years	510,199
In more than two years but less than five years	800,000
	<u>1,753,765</u>

The above loans are made up of two amounts owed to National Westminster Bank plc (via a back to back loan agreement with the Nottingham Bluecoat School Foundation Trustees) of £1,200,000 and amounts owed to Nottingham City Council of £553,765

The NatWest loans are secured by a first legal charge over the Academy's property and its associated assets and interest is charged at a fixed rate of 5.43% per annum and 1.25% above the bank's base rate on the variable loan

The Nottingham City Council loan is unsecured and interest is charged at a fixed rate of 5.35% per annum

15 PENSION 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 Both are defined-benefit schemes

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

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

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employer' Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

Under the definitions set out in Financial Standards (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 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 and the implications for the Academy Trust in terms of the anticipated rates

15 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £224,000, of which employer's contributions totalled £167,000 and employees' contribution totalled £57,000. The agreed rates for future years are 18.3 per cent for employers and no change to employees' rate.

Principal actuarial assumptions

	2012 %
Rate of increase in salaries	4.1
Rate of increase for pensions in payment	1.9
Discount rate	3.9
Inflation – rpi	2.7
Inflation – cpi	1.9

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

	2012
Retiring today	
Males	18.6
Females	22.7
Retiring in 20 years	
Males	20.6
Females	24.5

15 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012 £000	Fair value at 31 August 2012 £000
Equities	5.5%	650 (67%)
Bonds	6.7%	136 (14%)
Property	4.5%	126 (13%)
Cash	0.5%	39 (4%)
Alternative assets	5.5%	19 (2%)
TOTAL MARKET VALUE OF ASSETS		970
Present value of scheme liabilities - Funded		(2,515)
DEFICIT IN THE SCHEME		(1,545)

The actual return on scheme assets was £40,000

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The return on bonds is assumed to be the gilt yield and corporate bond yield at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

Amounts recognised in the statement of financial activities	2012 £'000
Current service cost (net of employee contributions)	164
Past service cost	-
Total operating charge	164
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	28
Interest on pension liabilities	(62)
Pension finance income/(costs)	(34)

15 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current period are recognised in the SOFA

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £335,000

Movements in the present value of defined benefit obligations were as follows:	2012 £'000
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Upon conversion to academy status	1,885
Current service cost	164
Interest cost	62
Employee contributions	57
Actuarial loss	347

At 31 August 2012	2,515
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Movements in the fair value of Academy Trust's share of scheme assets:

Upon conversion to academy status	706
Expected return on assets	28
Actuarial gain	12
Employer contributions	167
Employee contributions	57

At 31 August 2012	970
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The estimated value of employer contributions for the period ended 31 August 2013 is £167,000

15 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The experience adjustment summary is as follows:

	2012 £'000
Present value of defined benefit obligations	(2,515)
Fair value of share of scheme assets	970
	<hr/>
Deficit in the scheme	(1,545)
	<hr/>
Experience adjustments on share of scheme assets	12
Experience adjustments on scheme liabilities	(347)

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

16 THE FUNDS OF THE CHARITY

	Brought forward	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2012
	£	£	£	£	£
Restricted fixed assets funds:					
Inherited on conversion	-	41,125,198	(2,197,332)	-	38,927,866
DfE/EFA capital grants	-	238,607	-	-	238,607
Depreciation	-	-	-	(633,265)	(633,265)
	-	41,363,805	(2,197,332)	(633,265)	38,533,208
Restricted general funds:					
Pension reserve	-	-	(1,210,000)	(335,000)	(1,545,000)
General Annual Grant	-	6,971,972	(6,609,821)	-	362,151
Other DfE/EFA grants	-	846,130	(846,130)	-	-
Depreciation	-	-	-	633,265	633,265
	-	7,818,102	(8,665,951)	298,265	(549,584)
Unrestricted income funds:					
Inherited on conversion	-	244,776	-	-	244,776
Unrestricted funds	-	357,156	(324,544)	-	32,612
	-	601,932	(324,544)	-	277,388
TOTAL FUNDS	-	49,783,839	11,187,827	(335,000)	38,261,012

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current GAG, and of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible assets £	Net current assets/ (liabilities) £	Long-term liabilities £	Pension scheme liability £	Total £
Restricted fixed assets fund	41,061,088	(907,448)	(1,620,432)	-	38,533,208
Restricted general funds	-	995,416	-	(1,545,000)	(549,584)
Unrestricted income funds	-	277,388	-	-	277,388
NET ASSETS	<u>41,061,088</u>	<u>365,356</u>	<u>(1,620,432)</u>	<u>(1,545,000)</u>	<u>38,261,012</u>

18 MEMBERS' LIABILITY

Bluecoat Academy is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

19 CAPITAL COMMITMENTS

At the balance sheet date, the charitable company had capital commitments of £30,496 in respect of information technology.

20 COMMITMENTS UNDER OPERATING LEASES

31 August
2012

At 31 August 2012, the charitable company was committed to make the following payments during the next year under non-cancellable operating leases as follows:

In respect of plant and machinery leases -
expiring within two to five years

19,625

21 RELATED PARTY TRANSACTIONS

There were no related party transactions disclosable under Financial Reporting Standard 8 and the Charities SORP 2005 for the current accounting period.

BLUECOAT ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

22 CONVERSION TO ACADEMY TRUST

On 1 January 2012 the School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bluecoat Academy from The Nottingham Bluecoat School and Technology College (voluntary aided school) for £Nil consideration

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

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

	9 month period ended 31 August 2012			Total 2012
	Unrestricted Funds	Restricted Funds General	Fixed Assets	
Tangible fixed assets				
Lease land and buildings	-	-	39,900,000	39,900,000
Other fixed assets	-	-	1,225,198	1,225,198
Loans	-	-	(2,197,332)	(2,197,332)
Cash at bank and in hand	237,923	-	-	237,923
School fund	6,853	-	-	6,853
LGPS pension deficit	-	(1,179,000)	-	(1,179,000)
NET ASSETS	244,776	(1,179,000)	38,927,866	37,993,642

23 POST BALANCE SHEET EVENTS

During the course of the period, Building Schools for the Future ("BSF") have been undertaking a new building project at the Wollaton Park campus. After the end of the period, in October 2012, part of this project was completed and a building block valued by BSF at £1,050,000 was handed over to the Academy Trust. This will be capitalised in the 2012/13 year and depreciated once brought into use.