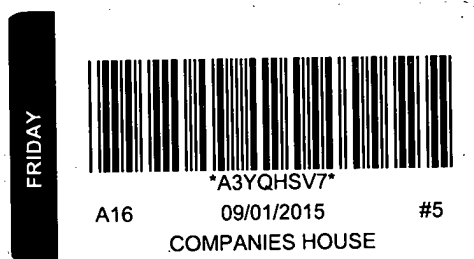


Biggleswade Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31st August 2014



Company Registration Number:
07928028 (England and Wales)

<p>Biggleswade Academy Trust</p> <p>(A company limited by guarantee)</p>
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Reference and administrative details

Governors: (Directors)

* = Members

Mr G Waghorn (Chair) *
Mr J Dilley *
Ms M Dale *
Mr A Masson *
Mrs E Wyatt *
Mrs J Bull
Mr T Woodward
Ms D Byrne
Ms R Ellison
Mrs Y Tittley
Mr R Eveleigh

Company Secretary

Mrs Brenda Hooper

Senior Management Team

- Principal
- Vice Principal (Care, Guidance & Support)
- Vice Principal (Learning & Teaching)
- Vice Principal (Learning & Teaching)
- Vice Principal (Finance & Business)
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal

Mr S C Phillips
Mrs C McGuckian
Mr M Steer
Ms S Flynn
Mrs B Hooper
Mr M Davis
Ms D Briars
Mr S Pointing
Mrs R Wilson

Registered Office

Biggleswade Academy Trust
Mead End,
Biggleswade,
Bedfordshire, SG18 8JU
Tel: 01767 318123

Company registration Number

07928028 (England & Wales)

Auditors

Duncan & Toplis Limited,
Chartered Accountants & Business Advisors
15 Chequergate,
Louth.
Lincs LN11 0LJ

Biggleswade Academy Trust

(A company limited by guarantee)

Bankers

Lloyds TSB Bank PLC
Biggleswade (309079) Branch,
PO Box 1000
BX1 1LT

Solicitors

Stone King LLP
16 St John's Lane
London
EC1M 4BS

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Trustees' Report

The Trustees present their Annual Report together with the financial statements and auditor's report of the Academy for the year to 31 August 2014.

The trust operates as a single 2-13 School, formed from the former Pre-Lower and Middle schools on its site. The trust currently has 882 pupils on roll at Biggleswade Academy and 76 children accessing Early Years Provision at Biggleswade Academy Pre-school. In addition, from April 2014 the trust has been providing Leadership and Management support to 'The Lawns Nursery School and Children's Centre in Biggleswade.

Structure, Governance and Management

Constitution

The Academy Trust is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of Biggleswade Academy Trust and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Biggleswade Academy Trust.

Details of the Trustees who served throughout the year are included in the reference and administration 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

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides up to £5,000,000.00 on any one claim and the cost for the year ended 31st August 2014 was £818. The cost of this insurance is included in the total insurance cost.

Method of Recruiting and Appointment or Election of Governors

- Members

Members of the Company comprise of the signatories to the Memorandum of Association and the Chair of the Directors. The members may agree unanimously in writing to appoint additional members as they see fit. They may also unanimously in writing agree to remove any such additional members.

~~Any member may resign provided that after such resignation the number of Members is not less than three.~~

- Directors

All Members of the Company are currently also Directors of the Multi Academy Trust.

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All Directors have a term of office of 4 years. If they remain eligible under their Director heading they may be re-appointed or re-elected.

Members may appoint up to 7 Directors and can appoint Staff Directors through any such process as they may determine provided that the total number of Directors who are employees does not exceed one third of the total number of Directors.

At 1st September 2012 Biggleswade Academy Trust – Holmemead Middle School was the only Academy within the Multi Academy Trust. On 1st March 2013 Southlands Lower School was granted Academy status and joined the Multi Academy Trust. At this point 4 Governors from the previous Southlands Lower School Governing Body joined the Multi Academy Trust as Directors.

At 1st September 2013 the component schools within Biggleswade Academy Trust (Holmemead Middle School, Southlands Lower School and Brigham Pre School and the Den) merged to form Biggleswade Academy. This is, therefore, the first report for the new 2-13 through school. However, Biggleswade Academy Trust remains a Multi Academy Trust, albeit one that currently has only one school, Biggleswade Academy, within the Trust.

In the event of more Academies joining the Trust there must be a minimum of 2 Parent Directors for every 10 or fewer Academies and they would be elected by the Parent members of the individual governing bodies as per their terms of reference. Any elected Parent Director must be a parent of a registered pupil at one of the Academies; or where it is not reasonable to do so, a person who is the parent to a child of compulsory school age, at the time (s)he is elected.

The Directors may appoint up to 3 Co-opted Directors but should not co-opt an employee of the Company if it would mean the total number of Directors who are employees would exceed a third. A Co-opted Director may not themselves appoint further Co-opted Directors.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Trustees and other Governors (directors) will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Directors will be offered a tour of the academy and the chance to meet staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The Academy is constituted under its Articles of Association. Members of the Governing Body and Senior Leadership Team are detailed on page 2 of this report.

The Governors make the key decisions for and determine the general policies of the Academy and meet at least four times a year as a full board and receive reports from the sub committees. There are two sub committees that support the Board; Finance and General Purposes and Standards and Performance, both of which meet a minimum of 3 times a year (additional meetings if required).

The academy has defined the responsibilities of each person involved in the administration of academy finance to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

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The Governing Body

The Governing Body has overall responsibility for the administration of the academy's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement(s) as follows:

- Master Funding Agreement with the Secretary of State for Education - dated 1st March 2012
Setting up the Multi Academy Trust (MAT) on the conversion to Academy status of Holmemead Middle School on 1st March 2012.
- Supplementary Funding Agreement with the Secretary of State for Education – dated 1st March 2013
Issued on the conversion to Academy status of Southlands Lower School who joined the MAT on 1st March 2013.
- Deed of Variation to the Master Funding Agreement with the Secretary of State for Education – dated 2nd August 2013 – issued to delete and replace in their entirety clauses 19 and 20 and to add a new clause 20A.

The Finance & General Purposes Committee (F&GP)

The F&GP is a committee of the governing body. The F&GP meets at least once a term – more frequently if key dates or important business requires it. The main responsibilities of the F&GP are detailed in written terms of reference which have been authorised by the governing body.

The Principal

The Principal is the Accounting Officer. Within the framework of the Academy Improvement Plan (AIP) as approved by the governing body the Principal has overall executive responsibility for the Academy's activities including financial activities.

Vice Principal (Finance and Business)

The Vice Principal (Finance and Business) works in close collaboration with the Principal through whom she is responsible to the governors. The Vice Principal (Finance and Business) also has direct access to the governors via the F&GP.

After 31st August 2014 the Vice Principal (Finance and Business) retired. The structure for financial support across the Academy is being revised as this report is being written and any changes will be reflected within the 2014-15 report.

Connected Organisations, including Related Party Relationships

Throughout the course of 2012/13 the Company consulted with stakeholders and sought approval from the Secretary of State for Education to merge the operations of the two Academies (Holmemead Middle School and Southlands Lower School). Additionally, the company consulted with stakeholders and sought approval from the Secretary of State for Education to assume responsibility for the operation of Brigham Pre-School and the Den. At the end of July 2013 confirmation was received, via the Department for Education, that Lord Nash had approved the merger of Brigham Pre-School, Southlands Lower School and Holmemead Middle School to form a 2 to 13 Academy from 1st September 2013.

Across the town of Biggleswade there are 13 education establishments that form the Biggleswade Community Union of Schools (BCUS). All members of BCUS are committed to working closely together in order to ensure the best provision possible for all pupils within the town and surrounding villages of Biggleswade.

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As part of this close working through BCUS the Academy responded positively to an approach for help from the town's maintained nursery school and children's centre in April 2014. Consequently, Biggleswade Academy and The Lawns Nursery School and Children's Centre are developing a close partnership with shared Leadership and management whilst longer term options are being explored.

Objectives and Activities

Objects and Aims

Biggleswade Academy is the only school of its type within the town of Biggleswade and provides High Quality Education and Care for children and young people aged 2-13 from 7.30am – 6pm for 51 weeks of the year.

The principal object and activity of the charitable company is the operation of the Biggleswade Academy Trust.

"... 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 schools ("the Academies") offering a broad and balanced curriculum."

The Academy provides 'through' education for a large number of its pupils, whilst matching the existing 3-tier system in operation within the town for others.

Objectives, Strategies and Activities

The principal object and activity of the company is the operation of Biggleswade Academy Trust.

"..... 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 schools ("the Academies") offering a broad and balanced curriculum."

Within the School Improvement Plan (SIP) for the academic year to 31st August 2015 the areas identified as being key to the future success of the Academy during the rigorous on-going self evaluation undertaken during the merger process:

1. To ensure the robustness and effectiveness of the new Academy curriculum to guarantee its success in:
 - a. Ensuring effective pupil progress 2-13
 - b. Matching and bettering the outcomes expected of the revised 2014 National Curriculum for England and Wales.
 - c. Developing broader more engaging and more progressive KS3 provision.
 - d. Minimising the negative impacts of transfer and transition across the entire age range
 - e. Providing outstanding wider opportunities for pupils of all ages and abilities.
 - f. Adequately preparing pupils for the next stage of their education.
2. Continue to drive the significant recent improvements seen in Literacy and English to ensure an effective whole school, cross curriculum approach for 'Literacy Across the Curriculum' is fully implemented and embedded.
 - a. Ensure a clear understanding across pupils, parents and staff of what outstanding LAC looks like by:
 - i. Embedding LAC principles and opportunities within all Schemes of Work at all ages
 - ii. Providing subject specific exemplars to pupils, parents and staff

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iii. Ensuring Feedback across all subjects develops basic literacy skills

3. To develop the use of handheld and mobile learning technologies to improve outcomes across all areas of work.
 - a. Firmly embed the principles of the 1-1 iPad programme for Y5&6 pupils
 - b. Firmly establish effective procedure for access to mobile technology for all other pupils across the Academy.
4. Continue to drive the recent improvements in the quality of Learning and Teaching to ensure:
 - a. all lessons are consistently 'good or better' for all children
 - b. A greater and constantly improving proportion of these lessons are 'outstanding'
5. To ensure the Academy 'Feedback policy' is consistently effective in personalising pupil learning, raising the level of individual & group progress and ensuring pupils develop confidence and independence within their learning.
 - a. Is feedback consistently happening within the maximum allocated time of 72 hours?
 - b. Is it consistently of a high enough quality to facilitate these aims?
 - c. Is there clear evidence that it is consistently acted upon by pupils to improve the quality of their outcomes?

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*".

The Academy's public benefit is enshrined in its charitable objectives, which state

"....to promote for the benefit of the inhabitants of Biggleswade and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants."

Strategic Report

Achievements and Performance

The first full year of the Academy's academic performance as a 2-13 School showed excellent returns on the investments made in the run up to the merger and full conversion.

- Early Years results were once again above the National average for the number of children demonstrating a 'good level of development'.
- KS1 results were 'sig +' (significantly above the National Average) according to *raiseonline* benchmark data in all but 1 of the 9 indicators for Reading, Writing & Maths at the expected level of 2b, above average 2a and significantly above average L3. This 9th indicator was still above National averages but was borderline for statistical significance.
- KS2 results were reportedly the most improved in the county with the significant amount of work in Maths now being rewarded with a 13%+ rise at L4 and a 23% rise at L5+. These figures are now only fractionally below national averages from a historical 'significantly below'. English, R&W were either in line or fractionally above and Grammar, Punctuation and Spelling was above the National average. In addition, we are beginning to see a differential for pupils who have experienced their

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entire KS2 within the Academy and those joining in Y5 as the benefits of accelerated progress across the historical 'transition point' start to be seen.

- KS3 results (exit data) continue to perform significantly above National benchmarks and either in line with or above the National for middle schools (based on unofficial National middle Schools forum data), demonstrating a sustaining of performance at this level whilst the 'wave' of increased performance lower down the school works its way up the age ranges year on year.

Key Performance Indicators

Reference has been made to key performance indicators in the Achievements' and Performance section.

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation 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.

Financial Review

Financial report for the year

The majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown in the statement of financial activities.

During the year ended 31 August 2014, total income was £4,416,540, compared with total expenditure of £4,390,345 which shows a carry forward of £26,195 of income in excess of expenditure.

At 31 August 2014, the net book value of fixed assets was £7,527,464. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams.

Funds in deficit

The Academy Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £732,000.

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However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Investment Policy

The Academy does not hold any investments, and as such a policy is not required.

Financial and Risk Management Objectives and Policies

The Academy experienced a challenging period at the end of the 2013-14 Academic and Financial year as with the discovery of a number of inconsistencies in the reporting and auditing of the financial processes and procedures in place across the Academy. This resulted in the necessary repositioning of the Academy, both financially and strategically in meeting its objectives moving forward.

An immediate and robust response was formulated to this situation, involving the EFA and the engagement of SBM services to rectify the issues identified during the Autumn term and the progress made to date has been nothing short of outstanding.

Robust procedures and a new robust financial system has been built 'from the ground up' which has much greater evidence based cross-checking of the Academies financial position and greater redundancy in the system to deal with unexpected challenges. In addition, updated policies add a further layer of rigour and challenge to ensure that such a situation cannot be repeated in the future.

Risk Management

The Trustees 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 of the academy and its finances. The Trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety, bullying and school trips) and in relation to the control of finance.

External Health & Safety Consultants, Hoskins Associates, were engaged to complete full health and safety audits across both Academies and produced detailed reports that have been shared with the Governing Body. Action plans have been prepared to address any risks identified.

External ICT Consultants (9ine Consulting Limited) have been engaged to carry out a thorough audit of ICT systems, controls and equipment. This report was received in October 2013 and led to further investment during 2013/14 to ensure that ICT infrastructure was sufficiently developed to meet the demands of a modern academy.

The Multi Academy Trust operates a rigorous safeguarding system. New staff are vetted thoroughly through enhanced CRB checks and the right to work checks. Internal operational procedures ensure that visitors and contractors are supervised at all times and the school grounds are secure.

The Academy has an effective system of financial control which is scrutinised on a regular basis by the externally appointed Responsible Officer. Reports are submitted to the F & GP Committee and any areas of concern addressed.

Where significant financial risk still remains, the Academy Trust has ensured that adequate insurance cover exists.

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Principal Risks and Uncertainties

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

1. Government funding

The Academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority. The Review of 2013-14 School Funding Arrangements and the resulting changes to the way government grants are paid to the Academies has been followed closely and shared with Governors.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.
- Comparison of previous funding methodology and the new funding process was carried out in advance of budget setting.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 17.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the academy delivers high quality learning and teaching;
- maintaining outstanding success rates and good inspection outcomes; and
- continuing to invest in its teaching staff and resources.

With the agreed merger and the on-going commitment to quality, the Academy now provides a unique market-leading learning environment for children aged 2 to 13. Already this is being seen as a model that is attracting parents and therefore leading to new pupils.

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Plans for Future Periods

The Academies immediate focuses for development are identified in the Objectives, Strategies and Activities section above, however in addition to these the Academy continues to develop its links with 'The Lawns Nursery School and Children's Centre', also an outstanding provider of Early Years provision within the Town. Many benefits are already being seen from this work, both 'on the ground' for our children and 'behind the scenes' for the operations of both settings.

Funds held as Custodian Trustee on behalf of others

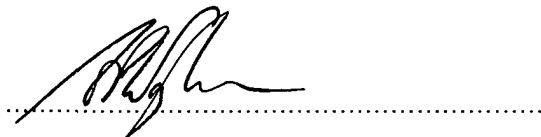
The Academy does not hold such funds.

Statement of disclosure to auditors

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 audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the members of the Biggleswade Academy Trust, as company directors, on 11th December 2014 and signed on its behalf by:



Gary Waghorn
Chair

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Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, Stephen Phillips, 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 Master Funding Agreement, Supplementary Funding Agreement and Deed of Variation to the Master Funding Agreement between Biggleswade Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdown in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and Statement of Governors' Responsibilities.

The Full Governing Body has formally met 5 times during the year.

The Finance and General Purposes Committee met twice.

Wally Thrale resigned as a Governor on 31st August 2013, while Magali Topley re-joined as a Governor on 1st November 2013.

A breakdown of attendance at meetings, during this period, is as follows:

Full Governing Body

Governor	Meetings attended	Out of a possible	Attended AGM
Gary Waghorn (Chair)	5	5	Yes
Esme Wyatt	5	5	Yes
John Dilley	5	5	Yes
Ruth Ellison	4	5	Yes
Andrew Masson	4	5	Yes
Julie Bull	4	5	Yes
Tim Woodward	3	5	No
Deirdre Byrne	3	5	No
Russell Eveleigh	3	5	No
Yvonne Titley	2	5	No
Magali Topley	2	4	N/A

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Finance & General Purposes Committee

Governor	Meetings attended	Out of a possible
Andrew Masson (Chair)	2	2
Gary Waghorn	2	2
Russell Eveleigh	2	2
Julie Bull	1	2
Magali Topley	0	1

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's 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 Biggleswade Academy Trust for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the Annual Report and financial statements. A significant review of these processes and procedures was been undertaken between June 2014 and September 2014 and a number of amendments made in order to tighten the Academies approach to risk management further.

Capacity to Handle Risk

The Governing Body is of the view that there needs to be a formal on-going process for identifying, evaluating and managing the Academies significant risks and, whilst this has been in place for the year to 31st August 2013, it has continued to be embedded up to the date of approval of the annual report and financial statements. The process, once formalised, will be regularly reviewed by the Governing Body.

The Risk and Control Framework

The Multi AcademyTrust'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 Financial 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.

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The Governing Body has considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the Governors have appointed Duncan and Toplis Limited, Accountants, to fulfil the role as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Multi 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.

During the period covered by this report there were no material control issues identified by the R.O, although there were a couple of areas where the RO identified internal controls that could be improved and these were reported to the governing body and acted on immediately.

Review of Effectiveness

As Accounting Officer the Principal, Stephen Phillips, has responsibility for reviewing the effectiveness of the system of internal control. During the year to 31 August 2014 the review has been informed by:

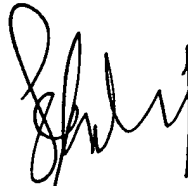
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 in place.

Approved by order of the Governing Body on 11th December 2014 and signed on its behalf by:



Mr G Waghorn
Chair of the Governing Body



Mr S C Phillips
Accounting Officer

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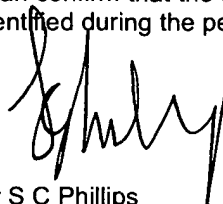
Statement on Regularity, Propriety and Compliance

As Accounting Officer of Biggleswade Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA Terms and Conditions of Funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the Terms and Conditions of Funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

During the period covered by this report one instance of non-compliance with the Terms and Conditions of Funding under the Academies Financial Handbook occurred. I reported this to the Education Funding Agency and Biggleswade Academy Trust has worked closely with the Education Funding Agency and put in place improved procedures to ensure that this is not repeated.

I can confirm that there are no instances of material irregular or improper use of funds by the Academy Trust were identified during the period 1st September 2013 and 31st August 2014.



Mr S C Phillips
Accounting Officer

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Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the trustees 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 trustees 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 when 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 appropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11th December 2014 and signed on its behalf by:



Mr G P Waghorn
Chair of Trustees

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BIGGLESWADE ACADEMY TRUST

We have audited the financial statements of Biggleswade Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

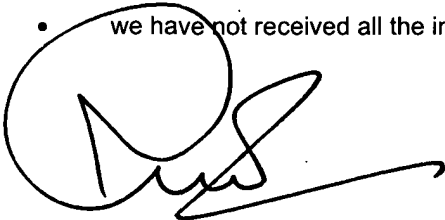
BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BIGGLESWADE ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ
11 December 2014

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
BIGGLESWADE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Biggleswade Academy Trust during the year 1 September 2013 to 31 August 2014 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 Biggleswade Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Biggleswade Academy Trust and 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 Biggleswade Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BIGGLESWADE ACADEMY TRUST'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Biggleswade Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2011, and the Academies Financial Handbook extant from 1 September 2013, 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
BIGGLESWADE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

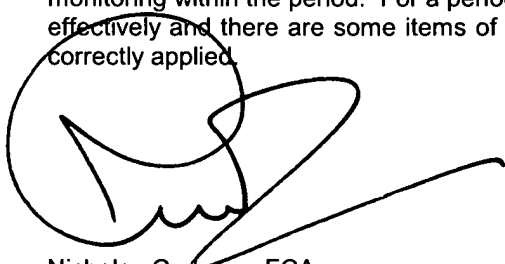
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Academy has entered into an overdraft position with its bank during the year due to weak budget setting and monitoring within the period. For a period in the year the control environment within the Academy did not operate effectively and there are some items of expenditure in this period that we were unable to verify as having been correctly applied.



Nicholas Cudmore FCA

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 11th December 2014

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	111,165	130,663	80,000	321,828	110,630
Activities for generating funds	3	279,125	5,045	-	284,170	308,511
Investment income	5	409	-	-	409	361
Funding for the Academy's educational operations		-	3,695,826	79,795	3,775,621	2,953,616
Transfer from predecessor school		34,512	-	-	34,512	2,590,804
TOTAL INCOMING RESOURCES		425,211	3,831,534	159,795	4,416,540	5,963,922
RESOURCES EXPENDED						
Costs of generating voluntary income	7	1,379	-	-	1,379	-
Fundraising expenses and other costs	4	248,647	28,448	-	277,095	163,063
Funding for the Academy's educational operations		294,371	3,550,024	192,517	4,036,912	3,141,179
Governance costs	9	-	74,959	-	74,959	41,538
TOTAL RESOURCES EXPENDED	12	544,397	3,653,431	192,517	4,390,345	3,345,780
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(119,186)	178,103	(32,722)	26,195	2,618,142

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
Transfers between Funds	22	8,025	(288,334)	280,309	-	-
NET INCOME FOR THE YEAR		(111,161)	(110,231)	247,587	26,195	2,618,142
Actuarial gains and losses on defined benefit pension schemes		-	(203,000)	-	(203,000)	9,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(111,161)	(313,231)	247,587	(176,805)	2,627,142
<i>Total funds at 1 September 2013</i>		<i>102,225</i>	<i>(391,467)</i>	<i>7,279,877</i>	<i>6,990,635</i>	<i>4,363,493</i>
TOTAL FUNDS AT 31 AUGUST 2014		(8,936)	(704,698)	7,527,464	6,813,830	6,990,635

All activities relate to continuing operations.

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

The notes on pages 25 to 48 form part of these financial statements.

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07928028

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	19		7,527,464		7,272,039
CURRENT ASSETS					
Debtors	20	400,886		171,110	
Cash at bank and in hand		70,981		251,867	
		<u>471,867</u>		<u>422,977</u>	
CREDITORS: amounts falling due within one year	21	(453,501)		(188,381)	
NET CURRENT ASSETS			<u>18,366</u>		<u>234,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,545,830</u>		<u>7,506,635</u>
Defined benefit pension scheme liability	28		(732,000)		(516,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>6,813,830</u></u>		<u><u>6,990,635</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	22	27,302		124,533	
Restricted fixed asset funds	22	7,527,464		7,279,877	
Restricted funds excluding pension liability		<u>7,554,766</u>		<u>7,404,410</u>	
Pension reserve		<u>(732,000)</u>		<u>(516,000)</u>	
Total restricted funds			<u>6,822,766</u>		<u>6,888,410</u>
Unrestricted funds	22		<u>(8,936)</u>		<u>102,225</u>
TOTAL FUNDS			<u><u>6,813,830</u></u>		<u><u>6,990,635</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2014 and are signed on their behalf, by:



Mr G Waghorn
Chair of Trustees

The notes on pages 25 to 48 form part of these financial statements.

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	24	106,852	136,839
Returns on investments and servicing of finance	25	409	361
Capital expenditure and financial investment	25	(288,147)	(103,842)
Cash transferred on conversion to an academy trust		-	98,804
(DECREASE)/INCREASE IN CASH IN THE YEAR		(180,886)	132,162

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(180,886)	132,162
MOVEMENT IN NET FUNDS IN THE YEAR	(180,886)	132,162
Net funds at 1 September 2013	251,867	119,705
NET FUNDS AT 31 AUGUST 2014	70,981	251,867

The notes on pages 25 to 48 form part of these financial statements.

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

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

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Leasehold Property	-	2% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	111,165	80,000	191,165	-
School trip income	-	130,663	130,663	110,630
	<u>111,165</u>	<u>210,663</u>	<u>321,828</u>	<u>110,630</u>

Included in donations is £176,273 relating to inclusion of Bingham Pre-School which the Academy took on from the 1 September 2013. Of this amount £80,000 relates to the value of land and buildings on a 125 year lease from Central Bedfordshire and £96,273 relates to cash transferred to the Academy.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings income	31,969	-	31,969	34,889
Catering income	100,319	-	100,319	106,156
Sale of goods	1,351	-	1,351	11,790
Receipts from staff insurance claims	-	5,045	5,045	-
Other income	53,140	-	53,140	155,676
Bingham nursery fees	92,346	-	92,346	-
	<u>279,125</u>	<u>5,045</u>	<u>284,170</u>	<u>308,511</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fundraising trading expenses				
Cost of lettings	-	-	-	10,209
Goods for resale	5,289	-	5,289	9,209
Bingham nursery expenses	23,136	-	23,136	-
Wages and salaries	213,224	-	213,224	143,645
National Insurance	6,998	-	6,998	-
Pensions	-	28,448	28,448	-
	<u>248,647</u>	<u>28,448</u>	<u>277,095</u>	<u>163,063</u>
Net expenditure from trading activities	<u>(248,647)</u>	<u>(28,448)</u>	<u>(277,095)</u>	<u>(163,063)</u>

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank account interest	409	-	409	361

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	3,775,621	3,775,621	2,953,616

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,083,550	3,083,550	2,633,919
Start Up Grant	-	-	-	25,000
Pupil Premium	-	159,213	159,213	69,364
Other DfE/EFA Revenue grants	-	116,415	116,415	8,900
Devolved Formula Capital grant	-	19,795	19,795	19,008
Local Authority capital grants	-	60,000	60,000	-
	-	3,438,973	3,438,973	2,756,191
Other government grants				
SEN 1-1 Funding	-	148,952	148,952	189,550
Early Years funding	-	187,696	187,696	7,875
	-	336,648	336,648	197,425
	-	3,775,621	3,775,621	2,953,616

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Other expenses	1,379	-	1,379	-

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	294,371	3,742,541	4,036,912	3,141,179

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	3,199,731	192,517	644,664	4,036,912	3,141,179

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	10,500	10,500	6,800
Auditors' non audit costs	-	3,950	3,950	2,463
Legal and professional fees	-	44,515	44,515	22,457
Personnel fees	-	15,994	15,994	9,818
	-	74,959	74,959	41,538

BIGGLESWADE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. DIRECT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Educational supplies	136,058	136,058	167,571
Technology costs	23,493	23,493	51,108
Staff development	24,545	24,545	25,057
Other costs	33,489	33,489	21,061
Operating leases - other	9,900	9,900	-
Wages and salaries	2,234,980	2,234,980	1,663,991
National insurance	160,608	160,608	132,974
Pension cost	263,619	263,619	245,831
Depreciation	190,917	190,917	121,576
	<u>3,077,609</u>	<u>3,077,609</u>	<u>2,429,169</u>

11. SUPPORT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Other finance income less expenses	11,000	11,000	18,000
Technology costs	37,146	37,146	8,349
Pupil recruitment and support	7,043	7,043	8,382
Maintenance of premises and equipment	94,505	94,505	46,014
Cleaning	13,900	13,900	8,105
Rent and rates	34,771	34,771	28,672
Energy costs	50,023	50,023	45,904
Insurance	34,466	34,466	39,825
Transport	5,271	5,271	-
Telephone, postage and stationery	41,961	41,961	14,763
Catering	66,409	66,409	61,120
Other costs	20,561	20,561	2,924
Bank interest and charges	123	123	74
Wages and salaries	501,226	501,226	360,026
National insurance	23,270	23,270	15,916
Pension cost	16,028	16,028	53,936
Depreciation	1,600	1,600	-
	<u>959,303</u>	<u>959,303</u>	<u>712,010</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Costs of generating voluntary income	-	-	1,379	1,379	-
Fundraising expenses	248,670	-	28,425	277,095	163,063
Costs of generating funds	248,670	-	29,804	278,474	163,063
Direct costs	2,659,207	122,721	295,681	3,077,609	2,429,169
Support costs	540,524	220,722	198,057	959,303	712,010
Charitable activities	3,199,731	343,443	493,738	4,036,912	3,141,179
Governance	-	-	74,959	74,959	41,538
	3,448,401	343,443	598,501	4,390,345	3,345,780

13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Funding for the Academy's educational operations	3,077,609	959,303	4,036,912	3,141,179

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**NOTES TO THE FINANCIAL STATEMENTS
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14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the Academy	192,517	121,576
Auditors' remuneration - audit fees	10,500	6,800
Operating lease rentals:		
- other operating leases	9,900	-
Auditors' remuneration - non audit fees	3,950	2,463
	<u>216,867</u>	<u>130,839</u>

15. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,908,078	2,136,881
Social security costs	190,876	148,889
Other pension costs (Note 28)	308,095	299,767
	<u>3,407,049</u>	<u>2,585,537</u>
Supply teacher costs	31,352	30,781
Compensation payments	10,000	-
	<u>3,448,401</u>	<u>2,616,318</u>

b. Staff severance payments

Included in staff costs above are non-statutory/non-contractual severance payments totalling £10,000 (2013: nil). One of the payments exceeded £5,000 individually, and was for £10,000.

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	45	38
Management	1	1
Administration and support staff	71	42
	<u>117</u>	<u>81</u>

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15. STAFF (continued)

d. Higher paid staff

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

	2014	2013
	No.	No.
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

The above employees earning more than £60,000 per annum participated in the Teacher's Pension Scheme. During the year ended 31 August 2014, pension contributions for the members of staff amounted to £14,751 (2013: £11,596).

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16. TRUSTEES' REMUNERATION AND EXPENSES

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

	2014	2013
	£'000	£'000
Mr S C Philips, Head teacher	95-100	80-85
Ms E Wyatt, Staff Governor	40-45	45-50

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year ended 31 August 2014, expenses totalling £560 (2013 - £NIL) were reimbursed to 1 Trustee.

17. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £818 (2013 - £821). The cost of this insurance is included in the total insurance cost.

18. OTHER FINANCE INCOME

	2014	2013
	£	£
Expected return on pension scheme assets	57,000	29,000
Interest on pension scheme liabilities	(68,000)	(47,000)
	(11,000)	(18,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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19. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Plant and machinery £	Motor vehicles £	Computer equipment £
Cost				
At 1 September 2013	7,301,755	67,686	-	65,747
Additions	325,535	38,091	6,250	78,066
At 31 August 2014	<u>7,627,290</u>	<u>105,777</u>	<u>6,250</u>	<u>143,813</u>
Depreciation				
At 1 September 2013	136,351	10,436	-	16,362
Charge for the year	124,321	19,355	1,250	47,591
At 31 August 2014	<u>260,672</u>	<u>29,791</u>	<u>1,250</u>	<u>63,953</u>
Net book value				
At 31 August 2014	<u>7,366,618</u>	<u>75,986</u>	<u>5,000</u>	<u>79,860</u>
At 31 August 2013	<u>7,165,404</u>	<u>57,250</u>	<u>-</u>	<u>49,385</u>
				Total
				£
Cost				
At 1 September 2013				7,435,188
Additions				447,942
At 31 August 2014				<u>7,883,130</u>
Depreciation				
At 1 September 2013				163,149
Charge for the year				192,517
At 31 August 2014				<u>355,666</u>
Net book value				
At 31 August 2014				<u>7,527,464</u>
At 31 August 2013				<u>7,272,039</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. TANGIBLE FIXED ASSETS (continued)

All of the tangible fixed assets are used for educational purposes.

Included in long leasehold property is leasehold land at a valuation of £1,408,276 (2013: £1,408,276) which is not depreciated.

The Academy's transactions relating to land and buildings included:

- During the year the Academy entered into a 125 year lease with Central Bedfordshire Council for land and buildings occupied by Bingham nursery which was taken over by the Academy on the 1 September 2013. The buildings have been included within long leasehold property additions using a discounted insurance valuation.

20. DEBTORS

	2014 £	2013 £
Trade debtors	125,325	19,438
Other debtors	112,105	122,221
Prepayments and accrued income	163,456	29,451
	<u>400,886</u>	<u>171,110</u>

**21. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	28,119	73,068
Other taxation and social security	54,422	50,767
Other creditors	58,818	-
Accruals and deferred income	312,142	64,546
	<u>453,501</u>	<u>188,381</u>

Deferred income at 31 August 2014 consists of GAG income, school trip income and universal free school meals income received in advance for the year ended 31 August 2015.

Deferred income

	£
Deferred income at 1 September 2013	60,546
Resources deferred during the year	248,630
Amounts released from previous years	(60,546)
	<u>248,630</u>
Deferred income at 31 August 2014	<u>248,630</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other income not for capital purposes	102,225	425,211	(544,397)	8,025	-	(8,936)
Restricted funds						
General Annual Grant (GAG)	99,291	3,083,550	(2,909,868)	(272,973)	-	-
Start up Grant	15,361	-	-	(15,361)	-	-
Other DfE/EFA grants	-	275,628	(275,628)	-	-	-
Government grants	7,875	336,648	(344,523)	-	-	-
Other income	2,006	135,708	(110,412)	-	-	27,302
Pension reserve	(516,000)	-	(13,000)	-	(203,000)	(732,000)
	(391,467)	3,831,534	(3,653,431)	(288,334)	(203,000)	(704,698)
Restricted fixed asset funds						
DfE/EFA capital grants	25,508	19,795	(7,867)	-	-	37,436
Government capital grant	-	60,000	(1,200)	-	-	58,800
Capital expenditure from GAG	94,834	-	(60,099)	280,309	-	315,044
Capital expenditure from other income	7,159,535	80,000	(123,351)	-	-	7,116,184
	7,279,877	159,795	(192,517)	280,309	-	7,527,464
Total restricted funds	6,888,410	3,991,329	(3,845,948)	(8,025)	(203,000)	6,822,766
Total of funds	6,990,635	4,416,540	(4,390,345)	-	(203,000)	6,813,830

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.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £13,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £203,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	102,225	425,211	(544,397)	8,025	-	(8,936)
Restricted funds	(391,467)	3,831,534	(3,653,431)	(288,334)	(203,000)	(704,698)
Restricted fixed asset funds	7,279,877	159,795	(192,517)	280,309	-	7,527,464
	<u>6,990,635</u>	<u>4,416,540</u>	<u>(4,390,345)</u>	<u>-</u>	<u>(203,000)</u>	<u>6,813,830</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	7,527,464	7,527,464	7,272,039
Current assets	(8,936)	480,802	-	471,866	422,977
Creditors due within one year	-	(453,500)	-	(453,500)	(188,381)
Provisions for liabilities and charges	-	(732,000)	-	(732,000)	(516,000)
	<u>(8,936)</u>	<u>(704,698)</u>	<u>7,527,464</u>	<u>6,813,830</u>	<u>6,990,635</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2014 Total £	2013 £
Net incoming resources before revaluations	26,195	-	26,195	2,618,142
Returns on investments and servicing of finance	(409)	-	(409)	(361)
Donation of Land & Buildings	(80,000)	-	(80,000)	(2,590,804)
Depreciation of tangible fixed assets	192,517	-	192,517	121,576
Capital grants from DfE	(79,795)	-	(79,795)	(19,008)
Increase in debtors	(229,776)	-	(229,776)	(73,624)
Increase in creditors	265,120	-	265,120	60,918
FRS 17 adjustments	13,000	-	13,000	20,000
Net cash inflow from operations			<u>106,852</u>	<u>136,839</u>

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	409	361

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**NOTES TO THE FINANCIAL STATEMENTS
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25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(367,942)	(122,850)
Capital grants from DfE	79,795	19,008
Net cash outflow capital expenditure	<u>(288,147)</u>	<u>(103,842)</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	251,867	(180,886)	-	70,981
Net funds	<u>251,867</u>	<u>(180,886)</u>	<u>-</u>	<u>70,981</u>

27. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy: and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are defined benefit schemes.

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

Contributions amounting to £56,733 were payable to the scheme at 31 August 2014 (2013 - Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and

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28. PENSION COMMITMENTS (continued)

affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £234,000, of which employer's contributions totalled £46,000 and employees' contributions totalled £188,000. The agreed contribution rates for future years is 23.9% for employers.

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.

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28. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	840,000	6.60	602,000
Bonds	3.30	231,000	4.00	164,000
Property	4.50	109,000	4.70	69,000
Cash	3.30	36,000	3.60	26,000
Total market value of assets		<u>1,216,000</u>		<u>861,000</u>
Present value of scheme liabilities		<u>(1,948,000)</u>		<u>(1,377,000)</u>
Deficit in the scheme		<u><u>(732,000)</u></u>		<u><u>(516,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,948,000)	(1,377,000)
Fair value of scheme assets	<u>1,216,000</u>	<u>861,000</u>
Net liability	<u><u>(732,000)</u></u>	<u><u>(516,000)</u></u>

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

	2014 £	2013 £
Current service cost	(190,000)	(107,000)
Interest on obligation	(68,000)	(47,000)
Expected return on scheme assets	<u>57,000</u>	<u>29,000</u>
Total	<u><u>(201,000)</u></u>	<u><u>(125,000)</u></u>
Actual return on scheme assets	<u><u>109,000</u></u>	<u><u>62,000</u></u>

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28. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	1,377,000	959,000
Current service cost	190,000	107,000
Interest cost	68,000	47,000
Contributions by employees	46,000	28,000
Actuarial Losses	281,000	23,000
Benefits paid	(14,000)	-
Transfer of liability on conversion	-	213,000
	<u>1,948,000</u>	<u>1,377,000</u>
Closing defined benefit obligation	<u>1,948,000</u>	<u>1,377,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	861,000	546,000
Expected return on assets	57,000	29,000
Actuarial gains and (losses)	78,000	32,000
Contributions by employer	188,000	105,000
Contributions by employees	46,000	28,000
Benefits paid	(14,000)	-
Transfer of assets on conversion	-	121,000
	<u>1,216,000</u>	<u>861,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(218,000) (2013 - £(15,000)).

The Academy expects to contribute £244,000 to its defined benefit pension scheme in 2015.

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

	2014	2013
Equities	69.00 %	70.00 %
Bonds	19.00 %	19.00 %
Property	9.00 %	8.00 %
Cash	3.00 %	3.00 %

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

Bedfordshire Pension Fund

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.4	21.6
Females	24.3	23.2
Retiring in 20 years		
Males	24.4	23.6
Females	26.8	25.6

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,948,000)	(1,377,000)	(959,000)
Scheme assets	1,216,000	861,000	546,000
Deficit	(732,000)	(516,000)	(413,000)
Experience adjustments on scheme liabilities	(281,000)	(23,000)	(12,000)
Experience adjustments on scheme assets	78,000	32,000	(12,000)

Sensitivity Analysis

	Approx. % increase to Employer Liability %	Approx. monetary amount £
0.5% decrease in Real Discount Rate	11	214,000
1 year increase in Member Life Expectancy	3	58,000
0.5% increase in the Salary Increase Rate	4	83,000
0.5% increase in the Pension Increase Rate	6	126,000

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(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

29. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	2,398	-
Between 2 and 5 years	-	-	1,013	5,808

30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year the Academy received income totalling £19,238 for room rental charges from Ivel Valley School, a School in which the Trustee R Ellison has an interest in.

The transaction took place at arms length and is based on a contract set up between the Local Authority and Ivel Valley School before conversion.

31. CONTROLLING PARTY

The Trustees as a body have ultimate control of the Academy.