

Biddick Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2015



Company Registration Number:
08521080 (England and Wales)

Biddick Academy Trust

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Biddick Academy Trust

Reference and Administrative Details

Members	Mr J Rostron Mrs C E Ford Mrs A Moran Mrs V Fox (appointed 11 July 2015) Mr D McDonald (appointed 11 July 2015)
Trustees	Mrs C E Ford (Chair)* (resigned as Chair 8 December 2015) Mr R Wilkinson (Executive Head Teacher)* (resigned 30 September 2014) Mr P Cowen (Head Teacher)* Mr J Rostron (Vice Chair)* Mrs A Moran* Mrs V Fox Mr D McDonald* (appointed as Chair 8 December 2015) Mr S Deehan Mr A Hedley Cllr D Snowdon Ms M Reynolds Mrs L Welch (Staff) Mr P Eastwood (Staff)* Mr R Hewlett (resigned 28 April 2015) Mr G Boylen (resigned 28 April 2015) Rev N Barr-Hamilton (appointed 30 September 2014) Mr L Todd (appointed 28 April 2015)

*Finance and Premises Committee members

Company Secretary	Mr G Patterson
Senior Leadership Team	
Executive Head Teacher	Mr R Wilkinson (resigned 30 September 2014)
Head Teacher	Mr P Cowen
Director of Business Services	Mr G Patterson
Deputy Head Teacher	Mr A Walmsley
Deputy Head Teacher	Mrs S Dickson
Assistant Head Teacher	Mr A Bennett (resigned 31 December 2014)
Assistant Head Teacher	Mr G Jackson
Assistant Head Teacher	Mr P Brown
Principal and Registered Office	Biddick Academy Trust Biddick Lane Washington Tyne and Wear NE38 8AL
Company Registration Number	8521080 (England and Wales)
Independent Auditor	RSM UK Audit LLP Chartered Accountant 1 St James Gate Newcastle Upon Tyne NE1 4AD
Bankers	National Westminster Bank Plc The Galleries Washington Centre Washington NE38 7SG
Solicitors	Watson Burton LLP 1 St James' Gate Newcastle upon Tyne NE99 1YQ

Biddick Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2014 to 31st August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Washington. It has a pupil capacity of 1080 and had a roll of 1084 in the school census dated January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The company was incorporated on 9 May 2013 and converted to an academy on 1 July 2013. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Biddick Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Biddick Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business. A trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees of the Trust.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. The number of Trustees is not subject to any maximum and the appointments made are in line with the guidance in the Articles of Association.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

Biddick Academy Trust

Trustees' Report (continued)

The Head Teacher of the Academy shall be a Trustee for as long as he or she remains in that position.

The Trustees may appoint up to three co-opted Trustees. The Trustees may not co-opt an employee of the Trust as a co-opted Trustee if thereby the number of Trustees who are employees would exceed one third of the total number of Trustees.

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees and/or Governors will be given induction training by the Trust's governance partner that reflects his/her previous experience and expertise. The Trust purchases support that provides for individual and full Governing Body training through an annual Course Directory which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational Structure

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Leadership Team of each Academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and is ultimately accountable for the Academy. They will hold to account the Head Teacher. Powers are delegated from the Board via a scheme of delegation. This scheme is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, reviewing curriculum, budget monitoring, making major decisions about the direction of the Academy and the Trust and senior staffing appointments as well as monitoring standards and performance.

The Senior Leadership Team consists of the Head Teacher, Director of Business Services, Deputy Head Teachers, Assistant Head Teachers and other senior staff as appropriate. The team lead and manage the Trust at an executive level, steering the direction of the Academy in line with strategic plans and developing opportunities. They are also responsible for the day to day operation of the Academy in addition to supporting the wider work and objectives of the Trust.

Connected Organisations including Related Party Relationships

None

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Principle object and activity of the Charitable Company is the operation of Biddick Academy to provide education through a broad balanced curriculum for children of compulsory school age and to provide recreation facilities to the public at large.

Biddick Academy Trust

Trustees' Report (continued)

Academic success is at the forefront of our agenda; however, our philosophy puts wider opportunities alongside to produce well-rounded individuals. The philosophy of valuing wider opportunities for young people alongside academic success has enabled the Academy to build its reputation for being the best it can possibly be, with young people experiencing the highest quality of education.

Objectives, Strategies and Activities

The Trust has set a number of guiding principles to adhere to and steer their objectives and activities:

Learning and Curriculum

Our curriculum is broad, balanced, engaging and stimulating, offering our students personalised pathways to success. We are proud of our year on year upward rise in standards and outstanding curriculum offer. The curriculum is designed to develop knowledge, skills and characteristics to provide the very best education and produce well-rounded individuals who are thoroughly prepared for life.

Leadership

We provide an environment in which everyone is encouraged and supported to develop leadership and management competencies. This will enable Biddick Academy to maximise the talent within the Trust and plan for succession. We will review the progress made by the Trust against the organisations overall investment. We will challenge any under-performance.

Collaboration and Partnership

The Trust is committed to the development of education practice by maximising collaboration. We will use partnerships such as parents, multi- disciplinary teams, community links, teaching schools, other academies and businesses to enhance provision. The Trust will pursue opportunities for income generation.

Inclusivity and Equality

All students have an entitlement to study a broad and balanced range of subjects. No groups are discriminated against. Classwork at Biddick Academy is structured to cater for all ability levels and learning needs, and wherever possible there is an emphasis on individualised learning.

Students are encouraged to take responsibility for their own learning and are well supported by a highly committed and skilled staff, excellent facilities and an extensive range of resources. This guarantees that equal opportunities are provided to all.

Investment and Opportunity

We will invest in our staff to provide them with the necessary training and support in order that the aims of the Trust can be met. We embrace and celebrate continuous learning and create a culture where all learning is valued. All staff are given the opportunity to make the most of their potential through fair and open access to training. We are committed to the most efficient and effective use of resources to support training needs.

Continuous Improvement

Trustees and senior leaders of Biddick Academy provide challenge and support for each other in order that continuous improvement is central to our work.

Public Benefit

The Trustees have complied with their duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Biddick Academy Trust

Trustees' Report (continued)

STRATEGIC REPORT

Achievements and Performance

Biddick Academy is a mixed comprehensive school for 11 to 16 year olds with 1084 pupils. The main school was recently rebuilt as part of the building schools for the future program and benefits from a wide range of sporting and other additional facilities. It is a popular school that has been oversubscribed for a number of years.

The school's popularity has been there for many years and in recent years is built upon:

Its improvement

In January 2014 the Academy was recognised as one of the top 100 schools in England showing the greatest sustained improvement in the percentage of students achieving five or more A*-C grades GCSEs, including English and Maths. (DfE letter, David Laws).

The curriculum

The curriculum is designed to develop pupil's knowledge, skills and characteristics to provide the very best education and enable everyone to fulfil their potential. We offer a wide range of opportunities for all, that produce well-rounded individuals who are thoroughly prepared for life.

Our passion for inclusion

Students who have special learning difficulties or other special needs are catered for in a variety of ways. We always emphasise personalised learning throughout the Academy to match student ability and circumstance. We are careful to ensure that those who receive personalised learning are not made to feel 'different'.

Our Unity Centre, which is the academy's facility for the care, help and support for students with ASD (Autistic Spectrum Disorder), sits at the heart of the Academy.

Enrichment

We are extremely proud of our outstanding enrichment programs and opportunities aimed at developing our young people in the widest sense. We believe that there is something for everyone.

Biddick Academy Philosophy

We are committed to ensuring that all students receive a fully inclusive education. The Academy is a caring community built on the principles of trust, tolerance and responsibility, as well as the values of friendship, excellence and respect. Every child matters at Biddick Academy and every student can achieve.

We pride ourselves on making sure that our students feel valued, listened to, safe and cared for. Fundamental to achieving this, is knowing all of our students as individuals and to ensure this happens we have a highly skilled pastoral team and support system to provide every student with access to advice and guidance when required.

Whether it's personal problems or dealing with concerns, through to ensuring academic progress, we have the individuals and team to help every child. The Academy's Heads of Year, Assistant Heads of Year, Form Tutors, teachers and support staff all work closely to ensure that students are given the opportunity to excel in every area of life at Biddick Academy.

Biddick Academy Trust

Trustees' Report (continued)

Key Performance Indicators

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit of the education of children. The key non-financial performance indicators of the Trust relate to the achievements and performance of its students as set out below.

- Progress 8 is above the zero threshold, at +0.1. This is an improvement on 2014, when Progress 8 was -0.14
- Value Added is above the threshold, at 1011. This is an improvement on 2014, when Value Added was 993 – the Academy has had a positive Value Added score for 3 out of the last 4 years
- The percentage of students achieving the expected levels of progress in English rose from 49% in 2014 to 64% in 2015 – the Academy has made significant progress in closing the gap to the national average of 70%
- The percentage of students achieving more than the expected levels of progress in English rose from 14% in 2014 to 25% in 2015
- The percentage of students achieving the expected levels of progress in mathematics is above the national average, at 69% - expected levels of progress in mathematics has been above national average for the last 4 years
- The percentage of students achieving more than the expected levels of progress in mathematics remains in line with the national average, at 27% as it has for the last 4 years
- The percentage of students achieving the 5A*-C including English and mathematics has increased from 43% in 2014 to 49.5% in 2015, with the 2015 cohort of students being significantly below national KS2 average on intake (whilst the 2014 cohort was in line with national KS2 average on intake)
- The percentage of students achieving 3A*-A grades has increased from 14% in 2014 to 20% in 2015

The above information was correct as at the 23rd October 2015.

Going Concern

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

Financial Review

As a result of conversion to Academy status the school surplus balance from the former Biddick School Sports College was brought forward into the accounts. In addition to this the balance of the unrestricted school fund was also transferred to the Academy.

The majority of the Trust's income for the period of account is obtained from either the EFA (Education Funding Agency) or Local Authority as the commissioner of pupil places, the use of which is restricted for particular purposes. The grants and funding received from these bodies for the period and associated expenditure are shown as restricted funds in the statement of financial activities.

At 31st August 2015 the net book value of assets was £18,608,843. The assets were used exclusively for providing education and associated support for pupils within the Biddick Academy Trust.

Reserves Policy

The Finance Committee review reserve levels on a regular basis in line with the budget monitoring information and forecasts are presented to Trustees. At 31st August 2015 the value of reserves that were freely available to the Trust was £897,871.

Biddick Academy Trust

Trustees' Report (continued)

Investment Policy

The Trust has a Treasury Management and Investment Policy which is reviewed annually by Trustees. The Trust currently operates interest bearing bank accounts but at present does not have any funds invested.

Principal Risks and Uncertainties

The principal risk and uncertainties facing the Trust are centred around maintaining pupil numbers and the processes in which the Academies receive their primary source of income from the EFA/DfE. This is a key area that is being strictly monitored, reviewed and managed by the Trust to understand the financial implications and take action to address, if and when they may arise. In addition the Trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant liability on the Trusts' balance sheet.

Plans for Future Periods

The Trust plans to continue to provide outstanding education to young people with special educational needs. Strategic improvement plans are being developed for each individual Academy that steer the direction of travel of the Trust. The current levels of reserves are being evaluated to ensure surplus funds are invested into resources (including buildings, equipment and staff training) in each Academy to achieve maximum return and to meet our aims and objectives.

Funds Held as Custodian Trustee on Behalf of Others

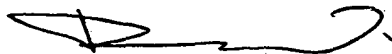
There are no funds held as Custodian Trustee on behalf of others.

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

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

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 16th December 2015 and signed on their behalf:



David McDonald

Chair of Trustees

Biddick Academy Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher and Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Biddick Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. Mr P Cowen is the Accounting Officer.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings Attended	Out of a Possible
Mr R Wilkinson (Executive Head Teacher)	0	4
Mr P Cowen (Head Teacher)	4	4
Mrs C E Ford (Chair)	2	4
Mrs A Moran	4	4
Mr J Rostron (Vice Chair)	4	4
Mrs V Fox	3	4
Mr D McDonald	2	4
Mr S Dehan	3	4
Mr A Hedley	1	4
Cllr D Snowdon	3	4
Ms M Reynolds	3	4
Mrs L Welch (Staff)	2	4
Mr P Eastwood (Staff)	4	4
Mr R Hewlett	0	4
Rev N Bar-Hamilton	2	4
Mr L Todd	2	4

During the period a resignations were tendered by Mr R Wilkinson and Mr R Hewlett. As at 31st August 2015 two replacement trustees had been appointed.

Biddick Academy Trust

Governance Statement (continued)

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, to ensure the sound management of the Trust's finances, staffing and resources including proper planning, monitoring and probity. The committee also monitor the system of internal controls, arrangements for risk management and ensuring value for money.

Attendance at meetings in the year was as follows:

Governor		Meetings Attended	Out of a Possible
Mr P Cowen	(Head Teacher)	5	5
Mrs Ford	(Chair)	2	5
Mrs A Moran		4	5
Mr J Rostron	(Vice Chair)	5	5
Mr D McDonald		3	5
Cllr D Snowdon		1	5
Mrs L Welch		1	5
Mr P Eastwood	(Staff)	4	5
Rev N Barr-Hamilton		4	5
Mr L Todd		1	5

Review of Value for Money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by: -

- Academic results have improved in 2014/15 from 43% A*-C including English and Mathematics in 2013/14 to 49.5%. Progress 8 and Value Added are both now shown to be above their respective thresholds clearly showing the educational progress of learners is improving.
- Improvements have been made to the procurement operation of the Academy with the creation of a dedicated post to ensure quality, service and best possible price for goods and services bought from public money. Significant savings have been realised in the last financial year particularly in the procurement of services in ICT and Catering
- Benchmarking against thirty other similar academies across the country show good financial performance. In particular that a high proportion of funding is spent directly on learning (Teaching Staff and Educational Resources). It is also clear from the benchmarking reports that the Academy is maximising its income where possible.

The Academy will continue to improve its performance in relation to Value for Money by strong governance and oversight.

Biddick Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Biddick Academy Trust Limited for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint the City of Sunderland Audit Section as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems on an annual basis. The auditor reports to the board of trustees, through the finance and premises committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The findings from the last internal audit were very positive with no high or medium risk recommendations, it was reported that the Academy demonstrates good practice in all areas of governance and financial management.

Biddick Academy Trust

Governance Statement (continued)

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 16th December 2015 and signed on its behalf by:



Mr D McDonald
Chair of Trustees



Paul Cowen
Accounting Officer

Biddick Academy Trust

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



Paul Cowen
Accounting Officer

16th December 2015

Biddick Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Biddick Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 16th December 2015 and signed on its behalf by:



Mr D McDonald
Chair of Trustees

Biddick Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Biddick Academy Trust

We have audited the financial statements of Biddick Academy Trust for the year ended 31 August 2015 on pages 16 to 34. 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 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

Biddick Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Aim High Academy Trust (continued)

Matters on which we are required to report by exception

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

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

RSM UK Audit LLP

Kevin Rooney (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James Gate
Newcastle Upon Tyne
NE1 4AD

Date: *16 DECEMBER 2015*

Biddick Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary Income	2	102	-	-	102	-
- Activities for generating funds	3	309	25	-	334	348
- Investment income	4	6	1	-	7	9
- Voluntary income – transfer from Local Authority on conversion		-	-	-	-	19,595
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	38	6,095	22	6,155	7,652
Total incoming resources		455	6,121	22	6,598	27,604
Resources expended						
<i>Cost of generating funds:</i>						
Fundraising trading	6	56	3	-	59	85
<i>Charitable activities:</i>						
Academy trust educational operations	7	183	6,141	511	6,835	8,081
<i>Governance costs</i>	8	-	48	-	48	73
Total resources expended	6	239	6,192	511	6,942	8,239
Net incoming / (outgoing) resources before transfers		216	(71)	(489)	(344)	19,365
Gross transfer between funds	16	(71)	60	11	-	-
Net income/(expenditure) for the year		145	(11)	(478)	(344)	19,365
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	16,24	-	67	-	67	(305)
Net movement in funds		145	56	(478)	(277)	19,060
Reconciliation of funds						
Total funds brought forward at 1 September 2014	16	682	(747)	19,125	19,060	-
Total funds carried forwards at 31 August 2015	16	827	(691)	18,647	18,783	19,060

All of the academy trust's activities derive from acquisitions in the current financial period.

2014 comparator figures in all the financial statements and notes relate to a 14 month period.

Biddick Academy Trust

Balance Sheet as at 31 August 2015

Company Number 08521080

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed Assets					
Investments	26				
Tangible assets	12		18,609		19,073
Current Assets					
Stock	13	24		23	
Debtors	14	174		148	
Cash at bank and in hand		<u>1,039</u>		<u>893</u>	
		1,237		1,064	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(248)</u>		<u>(160)</u>	
Net current assets			989		904
Total assets less current liabilities			19,598		19,977
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			19,598		19,977
Pension scheme liability			<u>(815)</u>		<u>(917)</u>
Net assets including pension liability			18,783		19,060
Funds of the academy trust:					
Restricted funds					
- Fixed asset fund	16	18,647		19,125	
- General fund	16	124		170	
- Pension reserve	16	<u>(815)</u>		<u>(917)</u>	
Total restricted funds			17,956		18,378
Unrestricted income funds					
- General fund	16	<u>827</u>		<u>682</u>	
Total unrestricted funds			827		682
Total funds			18,783		19,060

The financial statements on pages 16 to 37 were approved by the trustees, and authorised for issue on 16th December 2015 and are signed on their behalf by:



Mr D McDonald
Chair of Trustees

Biddick Academy Trust

Cash Flow Statement for the Year Ended 31 August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	19	164	399
Cash transferred on conversion to an academy trust		-	471
Returns on investments and servicing of finance	20	7	9
Capital expenditure	21	(25)	14
Increase in cash in the year	22	<u>146</u>	<u>893</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		893	-
Net funds at 31 August 2015		<u>1,039</u>	<u>893</u>

All of the cash flows are derived from acquisitions in the current financial period.

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The 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 company 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.

Incoming Resources

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

- **Grants Receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The General Annual Grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from Charitable Activities, to the extent of the entitlement of funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

- **Donations**

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

- **Other Income**

Other income, including the hire of facilities, educational visits, uniform sales, pupil contributions to charities, music tuition and rent, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated Services and Gifts in Kind**

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

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1. Statement of Accounting Policies (continued)

- **Interest Receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources Expended

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

- **Costs of Generating Funds**

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

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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. Where the related grants require the asset to be held for a specific purpose, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

- Long leasehold buildings 50 years
(Integral fixtures to external fabric of buildings 25 years)
- Fixtures, fittings and equipment 10 years
- ICT equipment 5 years
- Motor Vehicles 10 years

Assets transferred upon conversion had an estimated residual life less than the expected useful life stated above, as they had already been depreciated. These assets have therefore been depreciated according to their estimated residual life at the date of conversion.

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

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1. Statement of Accounting Policies (continued)

Land is not depreciated.

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

Leased Assets

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

Investments

The academy's shareholding in the wholly owned subsidiary, Biddick Academy Trading Company Limited, is of £10 is the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived. There has been no trading of the subsidiary in the reporting period.

Stock

Uniforms and stationery stocks are valued at the lower of cost or net realisable value

Taxation

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State – Earnings Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1. Statement of Accounting Policies (continued)

costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. A designated sinking fund of £25,000 has been provided for in respect of the maintenance of the artificial grass football pitch.

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and other funders.

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Other Donations	102	-	102	-
	102	-	102	-

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	61	4	65	100
Educational visits	142	13	155	139
Uniform - sales	31	-	31	92
Pupil contributions to charities	5	-	5	8
Music tuition	10	3	13	7
Rent	-	2	2	2
Commission on sales	54	-	54	-
Student placements	-	1	1	-
Out of school clubs	6	-	6	-
Contribution to academy	-	2	2	-
	309	25	334	348

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Short term deposits	6	1	7	9
	6	1	7	9

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE / EFA revenue grants				
- General Annual Grant (GAG)	-	5,649	5,649	6,738
- Start Up Grants	-	-	-	3
- Capital Grant	-	22	22	22
- Other DfE/EFA grants	-	324	324	425
	-	5,995	5,995	7,188
Other Government Grants				
- Local Authority Grants	-	98	98	76
- Other Government Grants	-	-	-	3
	-	98	98	79
Non Grant Income	38	24	62	385
	38	6,117	6,155	7,652

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Resources Expended

	Non Pay Expenditure			Total	Total
	Staff Costs £000	Premises £000	Other £000	2015 £000	2014 £000
Costs of activities for generating funds	-	-	59	59	85
Academy's educational operations:					
- Direct costs	4,242	-	1,160	5,402	6,410
- Allocated support costs	724	433	276	1,433	1,671
	<u>4,966</u>	<u>433</u>	<u>1,495</u>	<u>6,894</u>	<u>8,166</u>
Governance costs including allocated support costs	-	-	48	48	73
	<u>4,966</u>	<u>433</u>	<u>1,543</u>	<u>6,942</u>	<u>8,239</u>

Incoming/outgoing resources for the year include:

	2015 £000	2014 £000
Operating leases:		
- Other leases	14	18
Fees payable to RSM UK Audit LLP and its associates for:		
- Audit	9	5
- Other services	3	2
	<u>26</u>	<u>25</u>

No individual transactions within resources expended exceeded £5,000 in relation to ex-gratia/compensation payments, gifts made by the trust, fixed asset losses, stock losses, unrecoverable debts and cash losses.

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

7 Charitable Activities

	Total 2015 £000	Total 2014 £000
Direct costs – educational operations		
Teaching and educational support staff costs	4,242	4,949
Depreciation	511	715
Technology costs	109	156
Educational supplies	380	428
Examination fees	87	90
Staff development	39	26
Educational consultancy	8	12
Other direct costs	26	34
	5,402	6,410
Support costs – educational operations		
Support staff costs	724	769
Technology Costs	2	-
Recruitment and support	11	9
Maintenance of premises and equipment	101	124
Cleaning	135	152
Rent & rates	47	43
Energy costs	150	173
Insurance	83	89
Security and transport	40	69
Catering	76	94
Bank interest and charges	1	1
Other support costs	63	148
	1,433	1,671
Total direct and support costs	6,835	8,081

8 Governance Costs

	Total 2015 £000	Total 2014 £000
Legal and professional fees	36	66
Auditor's remuneration		
- Audit of financial statements	9	5
- Other audit costs	3	2
	48	73

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	2015 £000	2014 £000
Wages and salaries	3,907	4,499
Social security costs	296	354
Operating costs of defined benefit pension schemes	606	654
	<u>4,809</u>	<u>5,507</u>
Supply staff costs	183	216
Staff restructuring costs	-	7
	<u>4,992</u>	<u>5,730</u>

b. Staff numbers

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

Charitable Activities

	2015 No.	2014 No.
Teachers	70	68
Teaching support	30	25
Administration	13	17
Management	8	7
	<u>121</u>	<u>117</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	-	2
£80,001 - £90,000	1	-
£130,001 - £140,000	-	1

The 3 above employees participated in the Teachers' Pension Scheme.

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10 Related Party Transactions – Trustees' Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

R Wilkinson (Executive Head Teacher and Trustee until 30th September 2014):

Remuneration	£10,000 - £15,000 (2014: £130,000 - £135,000)
Employer's pension contributions	£ 0 - £ 5,000 (2014: £ 15,000 - £ 20,000)

P Cowen (Head Teacher and Trustee from 1st January 2014):

Remuneration	£75,000 - £80,000 (2014: £50,000 - £55,000)
Employer's pension contributions	£10,000 - £15,000 (2014: £ 5,000 - £10,000)

P Eastwood (Staff Trustee):

Remuneration	£40,000 - £45,000 (2014: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000 (2014: £ 5,000 - £10,000)

L Welsh (Staff Trustee):

Remuneration	£15,000 - £20,000 (2014: £15,000 - £20,000)
Employer's pension contributions	£ 0 - £ 5,000 (2014: £ 0 - £ 5,000)

2014 figures cover the period 1st July 2013 – 31st August 2014.

During the period ended 31 August 2015, there were no travel and subsistence expenses (2014: £252) reimbursed to trustees (2014: 2 trustees).

Other related party transactions involving the trustees are set out in note 25.

11 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 period ended 31 August 2015 was £253 (2014: £279).

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

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2014	-	19,281	239	254	14	19,788
Additions	-	5	8	34	-	47
At 31 August 2015	-	19,286	247	288	14	19,835
Depreciation						
At 1 September 2014	-	464	68	181	2	715
Charged in year	-	397	45	67	2	511
At 31 August 2015	-	861	113	248	4	1,226
Net book values						
At 31 August 2015	-	18,425	134	40	10	18,609
At 31 August 2014	-	18,817	171	73	12	19,073

13 Stock

	2015 £000	2014 £000
Clothing	13	18
Educational Supplies	11	5
	<u>24</u>	<u>23</u>

14 Debtors

	2015 £000	2014 £000
VAT recoverable	55	52
Prepayments and accrued income	119	96
	<u>174</u>	<u>148</u>

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

15 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	4	8
Taxation and social security	91	1
Other creditors	-	2
Accruals and deferred income	153	149
	<u>248</u>	<u>160</u>

Deferred income

	2015 £000
Deferred Income at 1 September 2014	10
Resources deferred in the year	24
Amounts released from previous years	(10)
Deferred Income at 31 August 2015	<u>24</u>

At the balance sheet date the academy trust was holding funds received in advance for rates relief of £24,157.

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds

	Balance at 31 August 2014	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2015
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	151	5,649	(5,755)	(11)	34
Other DfE/EFA grants	-	324	(324)	-	-
Other income	19	148	(148)	71	90
Pension Reserve	(917)	-	35	67	(815)
	<u>(747)</u>	<u>6,121</u>	<u>(6,192)</u>	<u>127</u>	<u>(691)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	22	22	(2)	-	42
Capital expenditure from GAG	-	-	-	11	11
Transfer from Local Authority	19,103	-	(509)	-	18,594
	<u>19,125</u>	<u>22</u>	<u>(511)</u>	<u>11</u>	<u>18,647</u>
Total restricted funds	18,378	6,143	(6,703)	138	17,956
Unrestricted funds					
Unrestricted funds	682	455	(239)	(71)	827
Total unrestricted funds	682	455	(239)	(71)	827
Total funds	19,060	6,598	(6,942)	67	18,783

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

General Annual Grant must be used for the normal running costs of the Academy and Specialist Provision.

Other Income is used in addition to General Annual Grant for the normal running costs of the Academy.

The Pension Reserve is the amount in relation to the Local Government Pension Scheme liability, see note 24.

Other DfE/EFA grants include Pupil Premium (including Summer School Grant), Special Needs and Year 7 Catch Up with the income being restricted to the terms of each funding stream.

The gross transfer from the restricted general fund to the restricted asset fund of £11,031 represents the capital expenditure from the GAG during the period.

Capital Grant has been received for capital and related expenditure. Depreciation has been charged against assets within the Restricted Fixed Asset Fund. The transfer from Local Authority reflects fixed assets transferred on conversion along with surpluses on capital and revenue budgets on conversion.

A designated sinking fund of £25,000 has been provided for in respect of the maintenance of the artificial grass football pitch.

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	18,609	18,609
Current assets	827	372	38	1,237
Current liabilities	-	(248)	-	(248)
Pension scheme liability	-	(815)	-	(815)
Total net assets	827	(691)	18,647	18,783

18 Financial Commitments

Operating Leases

At 31 August 2015 the academy trust had annual commitment under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Other		
Expiring within one year	4	5
Expiring within two and five years inclusive	10	12
	14	17

19 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015 £000	2014 £000
Net income	(344)	19,365
Depreciation (note 12)	511	715
Capital grants from DfE and other capital income	(22)	(22)
Transfer from Local Authority	-	(19,595)
Interest receivable (note 4)	(7)	(9)
FRS 17 pension cost less contributions payable (note 24)	(9)	(32)
FRS 17 pension finance income (note 24)	(26)	(12)
(Increase)/decrease in stocks	(1)	(23)
(Increase)/decrease in debtors	(26)	(148)
Increase/(decrease) in creditors	88	160
Net cash provided by / (used in) Operating Activities	164	399

20 Returns on Investments and Servicing of Finance

Interest received	7	9
Net cash inflow from returns on investment and servicing of finance	7	9

21 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(47)	(8)
Capital grants from DfE/EFA	22	22
Net cash outflow from capital expenditure and financial investment	(25)	14

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

22 Analysis of Changes in Net Funds

	At 1 September 2014 £000	Cash Flows £000	At 31 August 2015 £000
Cash in hand and at bank	893	146	1,039
Total cash and cash equivalents	893	146	1,039

23 Members' Liability

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

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and Similar Obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside 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 2012 and of the LGPS 31 March 2013.

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

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £684,419 (2014: £693,012).

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and Similar Obligations (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £272,000, of which employer's contributions totalled £214,000 and employees' contributions totalled £58,000. The agreed contribution rates for future years are 21.7% for employers and 5.5% - 12.5% for employees.

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 liability would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Due to the scheme being in deficit, Biddick Academy Trust has agreed with the trustees to make contributions at 23.6% from 1st April 2014.

Principal Actuarial Assumptions (% per annum)

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.0	2.1
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.0	2.1
Commutation of pensions to lump sums	75.0	75.0

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.1	23.0
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.0	26.9

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and Similar Obligations (continued)

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

	Fair Value at 31 August 2015 £000	Fair Value at 31 August 2014 £000
Equities	1,548	1,372
Property	217	186
Government Bonds	84	73
Corporate Bonds	271	235
Cash	75	53
Other*	143	123
Total market value of assets	2,338	2,042
Present value of scheme liabilities		
- Funded	(3,153)	(2,959)
Surplus/(deficit) in the scheme	(815)	(917)

The actual return on scheme assets was £67,000 (2014: £186,000).

Amounts recognised in the Statement of Financial Activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	(205)	(172)
Past service cost	0	(4)
Total operating charge	(205)	(176)
Analysis of pension finance income		
Expected return on pension scheme assets	140	140
Interest on pension liabilities	(114)	(128)
Pension finance income/(costs)	26	12

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £238,000 loss (2014: £305,000 loss).

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and Similar Obligations (continued)

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

	2015 £000	2014 £000
Opening present values of liabilities	2,959	2,265
Current service cost	205	172
Interest cost	114	128
Employee contributions	58	59
Actuarial (gain) / loss	(140)	351
Benefits paid	(43)	(20)
Past Service cost	0	4
At 31 August	<u>3,153</u>	<u>2,959</u>

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

	2015 £000	2014 £000
Opening fair value of assets	2,042	1,609
Expected return on assets	140	140
Actuarial gain / (loss)	(73)	46
Employer contributions	214	208
Employee contributions	58	59
Benefits paid	(43)	(20)
At 31 August	<u>2,338</u>	<u>2,042</u>

The estimated value of employer contributions for the period ended 31 August 2016 is £225,000.

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

	2015 £000	2014 £000
Present value of defined benefit obligations	(3,153)	(2,959)
Fair value of share of scheme assets	2,338	2,042
Deficit in the scheme	<u>(815)</u>	<u>(917)</u>
Experience adjustments on share of scheme assets Amount £000	(73)	46
Experience adjustments on scheme liabilities Amount £000	0	0

Biddick Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Related Party Transactions

Owing to the nature of the academy trust'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 trust's financial regulations and normal procurement procedures.

No related transactions took place in the period of account.

26 Investments

The academy has 100% shareholding in the subsidiary, Biddick Academy Trading Company Limited. The cost of the ordinary share capital owned is £10. The subsidiary has been dormant during the reporting period and there is no readily available market value and the cost of valuation exceeds the benefit derived.