

**BARNFIELD ACADEMY TRUST
(FORMERLY BARNFIELD ACADEMY TRUST - LUTON)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

SATURDAY



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COMPANIES HOUSE

*Company Limited by Guarantee
Registration Number
05958361 (England and Wales)*

BARNFIELD ACADEMY TRUST

CONTENTS

	Page
Reference and Administrative Details	3
Report of the Directors	4 – 14
Statement on Regularity, Propriety and Compliance	15
Independent Auditors' report	16 – 17
Independent Auditor's report on regularity	18
Statement of Financial Activities (including Income and Expenditure)	19
Balance Sheet	20
Cash Flow Statement	21
Principal Accounting Policies	22 – 24
Notes to the Financial Statements	25 – 34

BARNFIELD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS

Name	Position	Date of Appointment	Date of Termination	Appointment Category
Sir Peter Birkett*	Chairman	6 October 2006		Sponsor
Alan Euinton*		12 July 2007		Sponsor
Helen Mayhew*		01 September 2010		Sponsor
Lynn Thackway*		14 March 2007	9 September 2012	Sponsor
Jackie Webb*		26 March 2007		Sponsor
Paula Martin*		19 August 2010		Sponsor
Stephen Hall *		20 June 2012		Sponsor
Andy Hardy *		05 July 2012		Sponsor
Catherine Barr*		05 July 2012		Sponsor
Lisa Clarke		19 August 2010	31 August 2012	Parent
* = members of the Finance and General Purposes Committee				
Secretary	Brian Frederick	Company Registration Number		5958361 (England and Wales)
Senior managers				
Principal	Andy Hardy			
Finance Director	David Beattie FCMA, CGMA			
Principal and Registered Office	Barnfield Business Centre Station House Station Approach Harpenden Herts AL5 4SW			
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St Albans, Herts AL1 3JX			
Bankers	Barclays Bank plc 22-24 Upper Marlborough Road St Albans AL1 3AL	Lloyds TSB 249 Silbury Boulevard Secklow Gate West Milton Keynes MK9 1NA		
Solicitors	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL	Taylor Walton 28-44 Alma Street Luton LU1 2PL		
Insurers	Zurch Municipal Hermes House Southwood Crescent Farnborough Hampshire GU14 0NJ			

BARNFIELD ACADEMY TRUST

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements of the charitable company for the year ended 31 August 2012. The report has been prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The financial statements have been prepared in accordance with the accounting policies on pages 21 - 23 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

The Directors passed a special resolution to change the name of Barnfield Academy Trust – Luton, to Barnfield Academy Trust as of 15 May 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Principal Activities

The Academy is a company limited by guarantee, incorporated on the 6th October 2006, with no share capital (registration number 5958361). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Members of the charitable company are nominated by either the Secretary of State for Education or by Barnfield Education Partnership Trust, the main sponsors of the Academy. The Articles of Association require the members of the charitable company to appoint at least five directors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The principal activity of the Academy is to advance for the public benefit, education in the United Kingdom, by establishing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, creative industries and ICT enterprise. The Academy commenced operations on 1 September 2007 on the site of the Halyard High School in Luton. Purpose built new premises were moved in to in February 2011.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

Directors

The Directors of the charitable company are Directors for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The Directors' term of office is a maximum of two years though this time limit does not apply to the Principal or the Sponsor Directors. The term of office of a parent Director ends when the parent ceases to be the parent of a registered student at the Academy. Any Director may be re-appointed or re-elected once so that the total time in office of a Director (except for the Principal and Sponsor directors) is four years.

The Directors who have held office in the year ending 31 August 2012 and up to the date of signing the financial statements are listed on page 3, together with their dates of appointment and resignation.

During the year under review the Directors held three meetings. The training and induction provided for new Directors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are few new directors in a year, induction tends to be done informally and is tailored specifically to the individual.

BARNFIELD ACADEMY TRUST REPORT OF THE DIRECTORS (continued)

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

Recruitment Policy

As and when new Directors are required for appointment, consideration is made as to the skills needed to augment the effectiveness of the board. The Academy Principal is responsible for arranging the election of the Parent Director and the Local Authority can submit three potential directors for selection.

Public Benefit

The Academy is an exempt charity and as such is regulated by the Education Funding Agency on behalf of the Charity Commission for England and Wales. The Academy's objects are to advance education for the public benefit. In so doing, the Academy gives due regard to the diverse beliefs and backgrounds of its pupils.

The Academy Board serves as the Academy's trustee and is responsible for defining the strategic aims of the Academy and directing the activities of its Principal in the furtherance of these objects. When setting objectives and planning activities, the Academy Board gives careful consideration to the Charity Commission's general guidance on public benefit.

Attention is also paid to guidance issued by the EFA in its new role as principal regulator on behalf of the Commission.

The Academy's Strategic Plan sets key targets in the areas of teaching, value added activities and identity in order to achieve its vision.

The progress towards achieving these goals is described in detail in other sections of the Financial Statements. This section highlights areas in which the Academy carried out its activities for the public benefit during the year in furtherance of its objects and its mission.

Activities and Objectives

The principal object and activity of the charitable company is the operation of the Barnfield West Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on ICT, Enterprise and Creative Cultural Industries.

The main objectives of the Academy are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

BARNFIELD ACADEMY TRUST
REPORT OF THE DIRECTORS (continued)

Achievements and Performance

At 31 August 2012 the Academy has completed its fifth year of operation with 1,122 students on roll for the year ended 31st August 2012 (1,015 students for the year ended 31st August 2011)

In February 2011 Barnfield West Academy moved into its brand new £29.1m 'state of the art' Academy. We now have an excellent range of modern sporting amenities such as a gym, 3G football pitches and a brilliant dance studio. Our building also offers outstanding ICT equipment in all subject areas and all teaching spaces, purpose-designed rooms for drama and music, superb art and technology facilities, food studies rooms and well-equipped science laboratories. All of this supports the continued focus and delivery of Outstanding Learning and Teaching.

OFSTED visited Barnfield West Academy in November 2010 to complete a good practice survey value for money in schools monitoring inspection. The following features of good practice were observed with no recommendations made for further improvements:

Highly effective collaborative working within the Barnfield federation, to improve the quality of provision and outcomes for students, while securing significant cost savings

The development of key cross-federation roles, for example in teaching and learning, in new technologies and finance, to enhance the quality of provision and effective use of resources

A strong focus on investing to develop internal capacity and expertise, thereby reducing reliance on external providers. This supports good staff and management development, as well as significantly reducing costs

Good use of student performance data and personal information to monitor progress thoroughly and inform teachers' planning for, and assessment of, individuals' progress

Excellent use of the expertise and the established practice of the academy's further education college sponsor, to promote best practice and share resources and expertise across the federation, leading to improved provision and systems, and significant cost savings across the federation

Careful oversight of expenditure through review of monthly management accounts by senior and middle leaders

Effective use of economies of scale to secure significant cost savings in procuring goods and services, including information and communication technology, refectory and payroll services, and financial and project management

Regular review of the effectiveness of strategies to secure improvement and rapid responses where strategies are not resulting in the expected improvements

Commissioning of external reports on financial performance, which provide detailed and comprehensive data on current expenditure including different types of staff costs. This enables managers to identify how staff might be deployed more effectively and efficiently to meet the academies' ambitious educational objectives

Careful cross-federation planning for the new sixth form, clearly focused on widening opportunities for students' progression and meeting local needs, while ensuring financially viable class sizes

OFSTED November 2010

In January 2010 Barnfield West Academy received its first Section 5 inspection. The Academy was judged to be overall Outstanding. A selection of comments made are listed below:

'Barnfield West Academy has improved outcomes for students from one of the lowest in the country to among the very highest in only two years. This truly remarkable achievement is due to the dedication,

BARNFIELD ACADEMY TRUST
REPORT OF THE DIRECTORS (continued)

passion and relentless drive for improvement with all involved in the life of the academy '

'all want to achieve as highly as possible and to contribute both to their own personal success and to the overall success of the academy This is another remarkable achievement The academy is exceedingly well-placed to move into the next stage of its development in its new building It has an outstanding capacity to improve even further '

'Students make exceptional progress from their starting points to reach standards, by the end of Year 11, that are significantly above average in most respects All aspects of provision are outstanding The use of assessment is a model of best practice It is embedded in the academy's everyday work and successfully underpins the high aspirations of teachers and students '

(OFSTED, 27-28 Jan 2010)

Progress - KS4 Commentary:

This year the Academy has continued its intensive and focused intervention programme to improve Key Stage 4 student GCSE attainment levels Fischer Family Trust Targets (FFT) are based upon student prior attainment and linking with socio-economic factors to support predictions from Key Stage 2 (Primary School) to Key Stage 4 (Secondary School) Outcomes FFT data has four bands of challenge The FFT D band is a predictor for similar schools aiming to achieve in the top 25% of all schools nationally

KS4 % pupils gaining	5+ A*-C	5+ A*-C inc En/Ma	5+ A*-G	1+ A*-G	3+ A*-A	5+ A*-A
2006 result	43	13	73	93	2	1
2007 result	44	16	79	96	2	1
2008 FFT 'D'	45	29	86	98		
2008 Target	50	32	90	98		
2008 achieved	92	47	99	100	40	12
2009 FFTD	50	35	92	99		
2009 Target	95	50	100	100		
2009 achieved	100	55	100	100	54	23
2010 FFTD	61	40	93	99		
2010 Target	100	56	100	100		
2010 achieved	100	55	100	100	55	33
2011 FFTD	64	40	95	99		
2011 Target	100	62	100	100		
2011 achieved	100	59	100	100	59	38
2012 FFTD	73	46	96	99		
2012 Target	100	65	100	100	71	59
2012 achieved	100	74	100	100		

- *Context The 2007 GCSE outcomes with a CVA score of 968.3 placed the predecessor school at the bottom 3% of schools nationally for contextual value added from Key Stage 2 to Key Stage 4 At 16% 5+ A*-C including Maths and English, the school ranked 59th on the national 'worst GCSE level results list' and was bottom of the Luton schools league table and well below the average of 40% for the town*

BARNFIELD ACADEMY TRUST
REPORT OF THE DIRECTORS (continued)

- Achievement at 5+ A* - C grades including Maths and English has quadrupled from 16% (2007 predecessor school) to 74% (2012) A substantial rise and above the National Figure of 59% (National 2011) Barnfield West Academy is now the highest achieving school/academy in Luton under this key measure
- The academy has focused on raising the achievement of all students and as a result there have been dramatic improvements across other key indicators such as 5+ A*-G, 3+ A*-A and 5+ A*-A, demonstrating improved performance across the entire ability range
- The academy has successfully raised the achievement of its least and most able students The percentage of pupils achieving 5+ A*- G has increased by 21% from 79% (2007) to 100% (2012, 2011, 2010, 2009) The percentage of students achieving 3+ A*/A grades has risen 69% from 2% (2007) to a remarkable 71% (2012) The percentage of students achieving 5+ A*-A grades has risen +58% from 1% (2007) to 59% (2012), and an increase from 38% (2011) and 33% (2010) – reflecting the increasing quality of the achievements of the students
- In 2012 we maintained our highly coveted 100% mark for the fourth consecutive year Once again massively exceeding the FFT D target of 73% The 5+ A*- C outcome for 2012 remains the highest for Luton schools 100% Achieving 5+ A*-C represents exceptional progress and outstanding achievement and standards
- There continue to be no significant variations in the performance of different ethnic groups and all have significantly exceeded FFT D projections, and with all student groups achieving above the critical 1,000 figure within our Raiseonline
- Results increased in almost all subjects, with 10 subjects achieving their challenging *Stretch Target (*the Stretch Target is created by adding 1 GCSE grade to the FFT D target (FFT D+1 grade), Maths, Science, ICT, Business Studies, Drama, Health and Social Care, History, PE - Sport, Art, Media
- In three years the academy has increased the CVA score of 968.3 achieved by the predecessor school to 1,064.7 dramatically transferring its position from the bottom 3% of schools nationally for contextual value added (from Key Stage 2 to Key Stage 4) to the top 1% of schools This has continued in 2011 with a top 1% figure of 1,064 for Value Added 2012 VA figures, although currently not published, are likely to surpass last years figure

BARNFIELD ACADEMY TRUST

Statement of Trustees' Responsibilities

The trustees (who are also directors of Barnfield West Academy for the purposes of company law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. 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 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 proper accounting records that 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.

In so far as the trustees are aware

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

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.

Connected Organisations

Barnfield Academy Trust is part of the Barnfield Federation which also includes Barnfield South Academy, Barnfield Studio School, Moorlands Free School, Barnfield College, Barnfield Apprenticeship Training Agency Limited and Barnfield Education Partnership Trust.

BARNFIELD ACADEMY TRUST
Statement of Trustees' Responsibilities (continued)

Risk Management

The directors 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 directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement. Work will continue to improve the management of risks within the framework established by the directors.

Statement on the System of Internal Financial Control

As directors, we acknowledge we have overall responsibility for ensuring that Barnfield West Academy has an effective and appropriate system of control, financial and otherwise. We acknowledge responsibility for providing reasonable assurance that

- the Academy is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- the proper records are maintained and financial information used within the Academy or for publication is reliable,
- the Academy complies with relevant laws and regulations.

The Academy'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 directors,
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

The directors have considered the need for a specific internal audit function and have appointed RSM Tenon as internal auditors and as part of their remit to carry out the duties of the Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

BARNFIELD ACADEMY TRUST

Statement of Trustees' Responsibilities (continued)

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely year

Financial Review

The grants receivable from the Education Funding Agency (EFA) during the year ended 31 August 2012 were £7,584k. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities

Net outgoing resources for the year before actuarial pension losses were (£1,181)k

Key Performance Indicators

During the year Barnfield Academy Trust has monitored key performance indicators. The achievements against these key performance indicators are as follows

KPI	Budget	Actual
% of pay to restricted funds income	71.6%	66.0%
Restricted funds surplus	£343k	£320k
Pupil Numbers	1203	1137

Reserves Policy

The policy of the directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. Through a combination of future government funding and financial support from sponsors, the directors are satisfied that the company's reserves will be sufficient for its current purposes. The reserves as at 31 August 2012 amounted to £30,821k. Under Charity Commission definitions for free reserves, being unrestricted undesignated funds, the Academy had a surplus of £95k.

Plans for Future Years

"As an Academy within the Barnfield Federation we hold a pivotal position in delivering a World Class educational experience for students from the local community. We are committed to excellence; we embrace change and no matter what the starting point we are committed to providing the best for every child."

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in further education once they leave. The Barnfield Pledge guarantees a place within the Barnfield Federation for every Academy student with the right qualifications and commitment.

To ensure that standards are continually raised the Academy operates an extensive self evaluation and external audit programme that includes lesson observation of all staff by trained inspectors and is recognised as outstanding by OFSTED. This process is based on the OFSTED framework and is focused on the Every Child Matters framework outcomes. A full data analysis and target setting process at pupil, department and whole Academy level has taken place and includes a rigorous performance management process. Detailed strategic and annual development planning has been undertaken and development plans for the Academy Specialisms are now in place. Strategic planning was recognised as outstanding by OFSTED (2010) and is recognised in the gradings below.

- Overall Effectiveness: how good is the school? - 1
- The school's capacity for sustained improvement - 1

BARNFIELD ACADEMY TRUST
Statement of Trustees' Responsibilities (continued)

- Pupils achievement and the extent to which they enjoy learning - 1
- The Quality of Teaching - 1
- The extent to which the Curriculum meets Pupils' needs - 1
- Effectiveness of Care, Guidance and Support - 1
- Effectiveness of Leadership and Management - 1
- Effectiveness with which the school deploys resources to achieve value for money - 1

Grading

- 1 - Outstanding
- 2 - Good
- 3 - Satisfactory
- 4 - Inadequate

The main priorities for improvement are (West Academy Development Planning 2012).

1a Experience: Achievement and Standards

- Setting ourselves and achieving challenging student learning and performance targets, and continuing to focus upon raising achievement in English and Maths, and upon the English Baccalaureate subjects
- Using performance data to monitor student achievement and consider variations between groups of learners, subjects, courses and key stages, trends over time and comparisons with other schools
- Targeting resources including the Pupil Premium and strategies to ensure that all learners and any underachieving group make maximum progress in relation to their starting points. A continued focus upon narrowing any gaps in achievement

1b Experience: Curriculum provision and other activities

- Providing curriculum opportunities which match learner's needs, aspirations and capabilities and build on prior attainment and experience
- Ensuring the curriculum and enrichment activities meet external requirements, are responsive to local circumstances and provide enjoyment and depth, balance and breadth for the learner. Including early pathways to support students appropriately e.g. along the English Baccalaureate pathway
- Working in partnership with parents, the Barnfield federation and the wider community to provide a curriculum and other learning experiences that provide diversity and a personalised approach
- Developing work related skills which meet the needs of employers

2 Learning

- Strengthening the quality of learning and teaching – *developing our students further as Independent Learners* – and successfully meeting the needs of all individuals and course requirements
- Having in place rigorous and suitable assessment methodologies
- Diagnosing and providing for individual learning needs through an appropriate programme of guidance and support
- Ensuring teaching has the maximum positive impact on all learners' progress
- Being an inclusive Academy by ensuring our provision supports the individual learner by making them an active participant in the learning process

BARNFIELD ACADEMY TRUST

Statement of Trustees' Responsibilities (continued)

- Ensuring new technologies are used effectively to develop all aspects of Academy life and especially Learning and teaching as part of ICT specialism

3 Support: Personal Development and Well-being

- Seeking the views of learners, parents/carers and stakeholders to ascertain how much learners enjoy their education and how parents and other stakeholders view the provision
- Making sure that excellent behaviour and attendance are actively promoted and rewarded
- Promoting spiritual, moral, social and cultural development through high quality curricular experiences including a strong personal development curriculum, enrichment activities and Specialisms - ICT New Technologies, Enterprise and Creative Cultural Industries
- Fostering links with parents and the wider community including business
- Promoting social and international enterprise and global citizenship to widen understanding and respect
- Independent advice and guidance is offered across the academy

4 Leadership

- Further develop Academy Federal 'Vision, Mission and Values'
- Developing our Partnerships, especially as an 'Outstanding' Academy in the UK and within the Barnfield Federation
- Ensure leaders at all levels set a clear direction leading to quality improvement and high quality education and care
- Develop capacity for leadership at all levels through an extensive staff developments and coaching programme
- Monitoring and improving performance to meet challenging targets through self assessment, self evaluation and quality improvements strategies
- Promoting equality of opportunity and challenging discrimination so that all learners achieve success
- Ensuring high quality human and physical resources and environment
- Deploying resources effectively to ensure VFM (Value for money) as part of the Barnfield federal structure
- Making effective links with other service providers, employers and organisations to promote an integrated approach to care, education and services to enhance learning
- Ensure that the board of directors are fully involved in the strategic direction of the Academy
- Focusing strategic planning, resource allocation and day to day Academy operations on student learning, teaching, progress and outcomes
- Ensuring high quality overall effectiveness of provision and leadership capacity for continuous improvement
- Ensuring the new build plays a significant role in the regeneration of the local community and provides a facility for world class education

5 Ten Strategic Objectives – The Barnfield Federation 2012-15

Key Strategic Objectives 2012/13

1. To deliver teaching and learning excellence in the best possible environment
2. To better focus staff training and development on raising standards and outcomes
3. To innovate and exploit new delivery models and funding streams
4. To provide a flexible post-14 curriculum offer across the Federation
5. To positively target improvements in equality and diversity, safeguarding and well-being
6. To successfully implement policy reductions in our carbon footprint
7. To ensure the Federation secures VFM services/discounts and is financially robust
8. To continue the development and expansion of the Federation
9. To create a structure and ethos that will maximise the new freedoms created by the 2011 Education Act
10. To strategically position the Federation to meet the requirements of the Government

In addition A comprehensive continuous professional development programme underpins Academy improvement with teaching and learning at its centre

BARNFIELD ACADEMY TRUST
Statement of Trustees' Responsibilities (continued)

The Academy has restructured staffing based on the new curriculum model and is now fully staffed and has a carefully structured plan for the induction of all staff to the new Academy

Despite very low attendance figures of 85% in the predecessor school, attendance for last year was 95% (2012) and a range of strategies are in place to sustain this strong position

The response from the community has been very positive and the directors have every confidence that these recruitment levels will be achieved, and this will underpin the financial strength of the Academy. In September 2012 Barnfield West Academy once again achieved an increased figure for Year 7 of 270. With a newly established (September 2011) Sixth Form provision too Barnfield West Academy is now oversubscribed in Years 7 -10

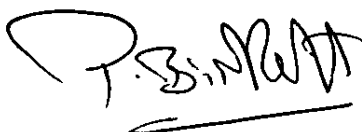
Disclosure to Auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Academy's auditors are unaware, and each member has taken all the steps that he/she ought to have taken to be aware of any relevant audit information and to establish that the Academy's auditors are aware of that information

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed for the financial year 2012/2013

The report of the directors was approved by the directors on 6 December 2012 and signed on their behalf by -



Sir Peter Birkett
Chairman
12 December 2012

BARNFIELD ACADEMY TRUST
Statement on Regularity, Propriety and Compliance

As accounting officer of Barnfield Academy Trust I have considered my responsibility to notify the academy's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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's governing body are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.

A handwritten signature in black ink, appearing to be 'AH', with a long horizontal line extending to the right.

(Signature)

Andy Hardy
Accounting Officer
12 December 2012

BARNFIELD ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNFIELD ACADEMY TRUST

We have audited the financial statements of Barnfield Academy Trust for the year ended 31 August 2012 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, the Annual Accounts Direction 2011/12 issued by the EFA and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

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

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

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 charitable company'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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- have been properly prepared in accordance with the Annual Accounts Direction 2011/12 issue by the EFA and United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


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

BARNFIELD 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



James French (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
12 December 2012

Independent Auditor's Report on Regularity to the Members of Barnfield Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the year 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



James French (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
12 December 2012

BARNFIELD ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2012
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

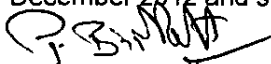
	Notes	Unrestricted funds £000s	Restricted funds £000s	Restricted fixed asset fund	Endowment fund £000s	Total 2012 £000s	Total 2011 £000s
Incoming Resources							
<i>Incoming Resources from generated funds</i>							
Voluntary income	2	-	-	-	(464)	(464)	6
Activities for generating funds	3	70	84	-	-	154	90
Investment income	4	-	26	-	-	26	-
<i>Incoming resources from charitable activities</i>							
Funds for the academy's educational operations	5	-	7,738	23	-	7,761	39,118
Total incoming resources		70	7,848	34	(464)	7,477	39,214
Resources Expended							
<i>Cost of generating funds</i>							
Cost of activities for generating funds		64	-	-	-	64	46
<i>Charitable activities</i>							
Academy's education operations	6	-	7,572	989	-	8,561	7,665
<i>Governance costs</i>	7	-	32	-	-	32	39
Total resources expended		64	7,604	989	-	8,657	7,750
Net incoming/(outgoing) resources							
before transfers		6	244	(966)	(464)	(1,180)	31,646
Transfers		-	70	(70)	-	-	-
Net incoming resources before other recognised gains and losses		6	314	(1,036)	(464)	(1,180)	31,646
Other recognised gains and losses							
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(275)	-	-	(275)	344
Net Movement in funds		6	39	(1,036)	(464)	(1,455)	124
Fund balances brought forward at 1 September		89	364	31,359	464	32,276	468
Fund balances carried forward at 31 August		95	403	30,323	-	30,821	32,276

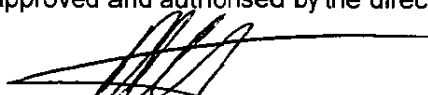
All activities were classified as continuing. There is no material difference between the net income/(outgoing) resources for the financial year stated above and their historical costs equivalents.

BARNFIELD ACADEMY TRUST
COMPANY NUMBER. 5958361
BALANCE SHEET at 31 August 2012

	Notes	2012 £000	2011 £000
Fixed Assets			
Tangible assets	11	<u>29,124</u>	<u>29,932</u>
Total fixed assets		<u>29,124</u>	<u>29,932</u>
Current Assets			
Stocks	12	28	19
Debtors	13	646	927
Cash at bank and in hand	23	<u>2,515</u>	<u>2,288</u>
Total current assets		<u>3,189</u>	<u>3,234</u>
Creditors Amounts falling due within one year	12	<u>(1,006)</u>	<u>(708)</u>
Net Current Assets		<u>2,183</u>	<u>2,526</u>
Total assets less current liabilities		<u>31,307</u>	<u>32,458</u>
Defined benefit pension (liability)/asset	21	<u>(488)</u>	<u>(182)</u>
Net Assets		<u>30,819</u>	<u>32,276</u>
The funds of the charity			
Endowment Funds			
Barnfield College Sponsorship	15	-	464
Restricted fixed asset funds			
Restricted fixed asset fund	15	<u>30,322</u>	<u>31,359</u>
Restricted income funds	13	890	546
Pension reserve		<u>(488)</u>	<u>(182)</u>
Total restricted income funds		<u>402</u>	<u>364</u>
Unrestricted income funds			
General fund		<u>95</u>	<u>89</u>
Total unrestricted income funds		<u>95</u>	<u>89</u>
TOTAL CHARITY FUNDS		<u>30,819</u>	<u>32,276</u>

The financial statements on pages 19 to 35 were approved and authorised by the directors on 12 December 2012 and signed on their behalf by


Sir Peter Birkett
Chairman


Andy Hardy
Principal

BARNFIELD ACADEMY TRUST
CASH FLOW STATEMENT
for the year ended 31 August 2012

	Notes	2012 £000s	2011 £000s
Net cash inflow from operating activities	19	407	(590)
Returns on investment and servicing of finance	20	2	-
Capital (expenditure) / income and financial investment	21	(181)	1,435
Increase in cash in the year	22	227	845
Reconciliation of net cash flow movement in net funds			
Net funds at 1 September	22	2,288	1,443
Increase in cash in the year		227	845
Net funds at 31 August	22	2,515	2,288

BARNFIELD ACADEMY TRUST
PRINCIPAL ACCOUNTING POLICIES 31 August 2012

Format of financial statements

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice ("SORP 2005") "Accounting and Reporting by Charities" published in March 2005 and the Charities Act 1993 as amended by Charities Act 2006 and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom,

Incoming resources

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 year is shown in the relevant funds on the balance sheet.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable.

Donations

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the Statement of Financial Activities as incoming resources and resources expended at their estimated value to the Academy in the year in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on an accruals basis.

Resources expended

Resources expended are recognised in the year in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

BARNFIELD ACADEMY TRUST

Principal Accounting Policies (continued)

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

A fund is a pool of unexpended resources, held and maintained separately from other pools because of the way in which the resources were originally received or the way in which they have subsequently been treated. A fund may be unrestricted, restricted, designated or endowed as described below.

- Unrestricted funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the directors,
- Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes set out in note 15,
- Endowed funds are received for particular projects and expenditure is restricted to that particular project. Income from the funds may be expended only in line with the objects of the respective fund.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use.

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.

New academy buildings procured through the Partnership for Schools (PFS) / Building Schools for the Future programme have been constructed under local authority control and then subsequently leased at a minimal rent to the academy. Where a lease transfers substantially all the risks and rewards of ownership of the asset to the lessee (i.e. to the Academy Trust) the asset is capitalised as a fixed asset and depreciated over the term of the lease.

The useful economic life and residual value of fixed assets is reviewed at the end of each accounting period.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The estimated useful lives used for other assets are:

Computer equipment and software	3 years
Furniture and equipment	5 years
Building	50 years

BARNFIELD ACADEMY TRUST
Principal Accounting Policies (continued)

Investments

Investments are shown at the year end at market value. Realised and unrealised gains and losses on investment are dealt with through the Statement of Financial Activities and the Income from Investments is included in the year in which it is receivable.

Endowment funds provided by the sponsor and other benefactors are treated as a restricted fund. The balance at the year end is shown at market value.

Stocks

School uniforms are valued at the lower of cost or net realisable value.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Taxation

Barnfield Academy Trust is an exempt charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of its charitable primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Pensions

Academy staff are members of one of two pension schemes, two of which are defined benefit schemes and one defined contribution scheme. More details of the schemes are given in note 25.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and the Academy is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the Statement of Financial Activities.

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012

	2012 £000s	2011 £000s
1 GENERAL ANNUAL GRANT (GAG)		
a Results and Carry Forward for the Year		
GAG brought forward from previous year	(248)	(435)
GAG allocation for current year (note 5)	7,584	7,175
Total GAG available to spend	7,336	6,740
Recurrent expenditure from GAG	7,469	6,988
Fixed assets purchased from GAG	23	-
GAG carried forward to next year	(156)	(248)
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	910	861
GAG to surrender to YPLA		
(12% rule breached if result is positive)	-	-
	(no breach)	
b Use of GAG Brought Forward from Previous Year for Recurrent Purpose		
(of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purpose. Any balance, up to a maximum of 12%, can only be used for capital purposes)	-	-
Recurrent expenditure from GAG in current year	7,469	6,988
GAG allocation for current year	(7,584)	(7,175)
GAG allocation for previous year x 2%	(144)	(128)
GAG b/fwd from previous year in excess of 2% used on recurrent expenditure in current year	(259)	(315)
(2% rule breached if result is positive)	-	-
	(no breach)	
2 VOLUNTARY INCOME	2012	2011
	£000s	£000s
Private sponsorship		
Barnfield College	(464)	6
	(464)	6
3 ACTIVITIES FOR GENERATING FUNDS	2012	2011
	£000s	£000s
Hire of facilities	7	1
Uniform sales	63	-
Sundry income	84	89
	154	90
4 INVESTMENT INCOME	2012	2011
	£000s	£000s
Bank interest	26	-
	26	-

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012 (continued)

5 FUNDS FOR THE ACADEMY'S EDUCATION OPERATIONS	2012	2011
	£000s	£000s
EFA Grants		
General annual grant (GAG) (note 1)	7,584	7,175
Capital grants	20	31,564
	7,604	38,739
Other government grants		
Special educational projects	157	194
Relating to FRS 17 pension movements	-	185
	7,761	39,118
 6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS	 2012	 2011
	£000s	£000s
DIRECT COSTS		
Teaching and educational support staff costs	4,481	3,751
Depreciation and loss on disposals of fixed assets	989	294
Loss on disposals of fixed assets	-	19
Books, apparatus and stationary	434	407
Examination fees	180	92
Staff development	40	23
Educational consultancy	62	121
Other direct costs	156	408
	6,342	5,115
Relating to FRS 17 pension movements	8	255
 ALLOCATED SUPPORT COSTS		
Support staff costs	743	573
Pupil recruitment and support	55	40
Maintenance of premises and equipment	102	130
Cleaning	17	16
Rent & rates	105	16
Heat & lights	138	150
Insurance	85	59
Security	7	5
Transport	8	7
Catering	105	139
Technology costs	104	456
Bank interest and charges	-	4
Indirect employee expenses	98	79
Other support costs	644	621
	2,211	2,295
	8,561	7,665

The figures above include £989k for depreciation of fixed assets relating to the restricted fixed asset funds all other expenditure relates to restricted funds

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012 (continued)

7 GOVERNANCE COSTS

	2012	2011
	£000s	£000s
Support costs	6	14
Legal and professional fees	9	15
Internal audit	4	10
Audit fees	14	-
	33	39

8 STAFF COSTS

The average monthly number of persons (including senior management team) employed by the Academy during the year ended 31 August 2012 expressed as full time equivalents was as follows

	2012	2011
	Number	Number
Charitable Activities		
Teachers	75	66
Administration and support	62	53
	137	119

	2012	2011
	£000s	£000s
Staff Costs Comprise		
Wages and Salaries	4,386	3,647
Social security costs	361	290
Other pension costs (note 23)	480	387
	5,227	4,324

Four employees (2011: 2) earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2012. Also, the services of the Barnfield College Principal were brought in to provide further strategic leadership. The total emoluments of these employees were in the following ranges

	2012	2011
	Number	Number
£60,001 - £70,000	3	3
£110,001 - £120,000	1	1

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2012 pension contributions for these staff amounted to £26,000 (2011: £24,000)

9 DIRECTORS' REMUNERATION AND EXPENSES

The directors of the Academy do not receive any payment from the Academy other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. During the year ended 31 August 2012 no travel and subsistence expenses were reimbursed to the directors (2011: £nil)

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012 (continued)

10 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2012 was £898 (2011 £898)

11 TANGIBLE ASSETS

	Furniture & Equipment £000s	Computer Equipment & Software £000s	Land & Buildings £000s	Total £000s
Cost				
At 1 September 2011	36	1,143	29,100	30,279
Additions	23	157	-	180
Disposals	-	(161)	-	(161)
At 31 August 2012	<u>59</u>	<u>1,139</u>	<u>29,100</u>	<u>30,298</u>
Accumulated Depreciation				
At 1 September 2011	9	338	-	347
Charged in year	13	394	582	989
On Disposals	-	(161)	-	(161)
At 31 August 2012	<u>22</u>	<u>571</u>	<u>582</u>	<u>1,175</u>
Net Book Values				
At 31 August 2012	<u>37</u>	<u>568</u>	<u>28,518</u>	<u>29,123</u>
At 31 August 2011	<u>27</u>	<u>805</u>	<u>29,100</u>	<u>29,932</u>

12 STOCKS

	2012 £000s	2011 £000s
School uniforms	<u>28</u>	<u>19</u>

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012 (continued)

13 DEBTORS

	2012	2011
	£000s	£000s
EFA grants receivable	179	74
Other debtors	371	776
Prepayments	96	77
	646	927

Other debtors include £78k due from Barnfield South Academy and £16k due from Barnfield Studio School

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£000s	£000s
Trade creditors	573	451
Accruals	319	158
Deferred income	114	99
	1,006	708

Trade creditors include £83k to Barnfield Collage, £4k to Barnfield South Academy and £68k Barnfield Education Partnership Trust

15 RESTRICTED FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes

	Balance at 1 September 2011 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and transfers £000s	Balance at 31 August 2012 £000s
Restricted General Fund	546	7,848	(7,574)	70	890
Pension Reserve	(182)	-	(31)	(275)	(488)
	<u>364</u>	<u>7,848</u>	<u>(7,605)</u>	<u>(205)</u>	<u>402</u>
Restricted Fixed Assets Fund	<u>31,359</u>	<u>23</u>	<u>(989)</u>	<u>(70)</u>	<u>30,322</u>
Endowment Fund	<u>464</u>	<u>-</u>	<u>(464)</u>	<u>-</u>	<u>-</u>

Restricted general fund relates to revenue grants and income to be used with the charitable objectives within the company. Restricted fixed asset fund relates to income received for the purchase of capital items.

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012 (continued)

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by

	Endowment Fund £000s	Unrestricted Funds £000s	General Funds £000s	Restricted Fixed Asset Funds £000s	Total £000s
Tangible fixed assets	-	-	-	29,123	29,123
Current assets	-	95	1,897	1,199	3,191
Current liabilities	-	-	(1,006)	-	(1,006)
Pension scheme liability	-	-	(488)	-	(488)
	<u>-</u>	<u>95</u>	<u>403</u>	<u>30,322</u>	<u>30,820</u>

17 RELATED PARTY TRANSACTIONS

During the year

Barnfield College supplied goods and services to the value of £448k (2011 £245k), £83k was outstanding at the year end (2011 £50k)

Barnfield South Academy supplied goods and services to the value of £52k (2011 £nil), £4k was outstanding at the year end (2011 £nil)

Barnfield Education Partnership Trust supplied goods and services to the value of £169k (2011 £114k), £68k was outstanding at the year end (2011 £23k)

During the year the Principal also acted as a Director of the Barnfield Academy Trust Board, remuneration during the year is disclosed in note 8 and totalled £117k

18 LEASE COMMITMENTS

Operating Leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases, all of which relate to plant & machinery, as follows

	2012 £000s	2011 £000s
Operating leases which expire		
Within one year	16	-
one to two years	24	16
two to five years	56	80
	<u>96</u>	<u>96</u>

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012 (continued)

19 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2012 £000s	2011 £000s
Net (expense)/ income	(1,179)	2,364
Depreciation (note 11)	989	313
Interest receivable (note 4)	(26)	-
FRS 17 pension cost less contributions payable (note 23)	23	56
FRS 17 pension finance cost (note 23)	8	14
(Increase)/decrease in stocks	(11)	25
Decrease/(increase) in debtors	305	(755)
Increase/(decrease) in creditors	298	(480)
Net cash inflow from operating activities	407	1,537

20 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2012 £000s	2011 £000s
Interest received	2	-
Net cash inflow from returns on investment and servicing of finance	2	-

21 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2012 £000s	2011 £000s
Purchase of tangible fixed assets	(181)	(692)
Net cash outflow from capital expenditure and financial investment	(181)	(692)

22 ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2011 £000s	Cash flows £000s	At 31 August 2012 £000s
Cash in hand and at bank	2,288	227	2,515
	2,288	227	2,515

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 August 2012 (continued)

23 PENSION COMMITMENTS

The Academy employees belong to two principal pension schemes the Teachers Pension Scheme England & Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedfordshire County Council

The total pension cost to the Academy during the year ended 31 August 2012 was £488k (2011 390k) which £361k (2011 £295k) relates to the TPS and £127k (2011 £92k) to the LGPS

Teachers pension scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers Pension Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), 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

Not less than every four years, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS The aim of the review is to specify the level of future contributions Contributions are assessed in two parts First, a standard contribution is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the year over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions

The last valuation of the TPS related to the year 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500m The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240m The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5% The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31 March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600m

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been 19.75% plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5% This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable The cost sharing agreement has also introduced – effective for the first time with effect from the 2008 valuation - a 14% cap on employer contributions payable

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012 (CONTINUED)

Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2012 was £143k (2011 £151k) of which the employers contribution totalled £96k (2011 £110k) and the employees' contributions totalled £47k (2011 £50k).

The agreed contribution rates for the year ended 31 August 2011 were 14.8% for employers, employee rates were banded according to salary levels.

Financial assumptions

Year Ended:	31 August 2012 % p.a.	31 August 2011 % p.a.	31 August 2010 % p.a.
Pension Increase Rate	2.2%	2.6%	2.7%
Salary Increase Rate	4.5%	4.9%	4.7%
Expected Return on Assets	4.4%	5.6%	5.8%
Discount Rate	4.1%	5.4%	4.8%

Breakdown of the expected return on assets by category

Year Ended:	31 August 2012 % p.a.	31 August 2011 % p.a.	31 August 2010 % p.a.
Equities	5.5%	6.8%	6.9%
Bonds	3.5%	4.6%	4.4%
Property	3.7%	4.8%	4.9%
Cash	2.8%	3.9%	4.0%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements from 2010 in line with the Medium Cohort and a 1% p.a. underpin. Based on these assumptions the average future life expectancies at age 65 are summarised below.

	Males	Females
Current Pensioners	21.6 Years	23.2 Years
Future Pensioners	23.6 Years	25.6 Years

BARNFIELD ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012 (continued)

Fair Value of employer assets

Date.	31 August 2012 £000s	31 August 2011 £000s	31 August 2010 £000s
Equities	693	567	493
Bonds	227	289	204
Property	120	111	76
Cash	293	145	76
Total	1,333	1,112	849

Balance sheet

Date	31 August 2012 £000s	31 August 2011 £000s	31 August 2010 £000s
Fair Value of Employer Assets	1,333	1,112	849
Present Value of Funded Obligations	(1,821)	(1,294)	(1,305)
Net Underfunding in Funded Plans	(488)	(182)	(456)
Net (Liability)	(488)	(182)	(456)
Amount in the balance Sheet			
Liabilities	488	182	456
Net (Liability)	(488)	(182)	(456)

Revenue account costs for the year to 31 August 2012

Reconciliation in the Statement of Financial Activities

Year Ended:	31 Aug 2012 £000s	31 Aug 2011 £000s
Current Service Cost	119	157
Interest Cost	74	67
Expected Return on Employer Assets	(66)	(53)
Total	127	171
Actual Return on Plan Assets	-	131

Reconciliation of defined benefit obligation

Year Ended:	31 Aug 2012 £000s	31 Aug 2011 £000s
Opening Defined Benefit Obligation	1,294	1,305
Current Service Cost	119	157
Interest Cost	74	67
Contributions by Members	47	50
Actuarial Losses / (Gains)	297	(266)
Estimated Benefits Paid	(10)	(19)
Closing Defined Benefit Obligation	1,821	1,294

BARNFIELD ACADEMY TRUST – LUTON
NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2012 (continued)

Reconciliation of fair value of employer assets

Year Ended:	31 Aug 2012 £000s	31 Aug 2011 £000s
Opening Fair Value of Employer Assets	1,112	849
Expected Return on Assets	66	53
Contributions by Members	47	50
Contributions by Employer	96	101
Actuarial Gains	22	78
Benefits Paid	(10)	(19)
Closing Fair Value of Employer Assets	1,333	1,112

Amounts for the current and previous accounting years

Year Ended:	31 Aug 2012 £000s	31 Aug 2011 £000s
Fair Value of Employer Assets	1,333	1,112
Present Value of Defined Benefit Obligation	(1,821)	(1,294)
Deficit	(488)	(182)
Experience Gains on Assets	22	78
Experience Losses on Liabilities	(8)	1

24. SUBSEQUENT EVENTS

On the 1st September 2012, the assets, liabilities and trade of Barnfield South Academy (BSA) were transferred to Barnfield Academy Trust (BAT) This is with the permission of the Secretary of State, in agreement with the funding bodies, and in line with the 2010 Master Funding Agreement