

Company Registration No 07521946 (England and Wales)

BEXHILL & TOWN END ACADEMIES LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2011

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COMPANIES HOUSE

BEXHILL & TOWN END ACADEMIES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors (Trustees)	M E W Stephenson J G Wood R Symonds
Executive Head Teacher	T Laybourne
Company number	07521946
Registered office	1 St James Gate Newcastle-upon-Tyne NE99 1YQ
Auditors	Rowlands Rowlands House Portobello Road Birtley Chester le Street Co Durham DH3 2RY
Solicitors	Watson Burton 1 St James Gate Newcastle-upon-Tyne NE99 1YQ

BEXHILL & TOWN END ACADEMIES LIMITED

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BEXHILL & TOWN END ACADEMIES LIMITED

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2011

The Trustees present their report and accounts for the period ended 31 August 2011

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Company's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, governance and management

The Bexhill and Town End Academies Ltd is a company limited by guarantee with no share capital (registration no 07521946) and an exempt charity within the meaning of Schedule 2 of the Charities Act 1993. It is not required to be registered with the Charity Commission but is, however, subject to the Charity Commissioner's regulatory powers, which are monitored by the Secretary of State for Education. The academy's memorandum and articles of association are the primary governing documents of the academy. Trustees of the academy can be nominated by the Secretary of State for Education. The articles of association require the members of the academy to appoint at least 3 Trustees to be responsible for the statutory and constitutional affairs of the academy and its management.

The principal activity of the company is education and is in accordance with the Master Funding Agreement approved by The Secretary of State. The school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum). The school will provide education for different abilities and education for pupils that are wholly or mainly drawn from the area in which the school is situated.

In accordance with the Memorandum and Articles of Association, the company has adopted a scheme of governance approved by the Secretary of State for Education. Each Academy will be governed by the academy. The company shall have regard to (but for the avoidance of doubt shall not be bound by) any guidance as to the governance of academies that the Secretary of State may publish.

Each member of the 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.

The Trustees, who are also the directors for the purpose of company law, and who served during the period were:

M E W Stephenson	(Appointed 8 February 2011)
J G Wood	(Appointed 8 February 2011)
R Symonds	(Appointed 8 February 2011)

During the period under review the directors held 6 meetings. Training and induction provided for new directors will depend on existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All directors are provided with copies of policies, procedures, accounts, budgets, plans and other documents that they need to undertake their role.

The company is set up as a multi academy model, and the Board of Directors meet at least 12 times a year to discuss its strategic objectives with the Executive Head Teacher (CEO). Currently there are 2 primary academies in this chain.

In this multi academy model, the Executive Head Teacher and Executive Associate Head Teacher lead and develop the strategic vision of all schools in the chain. Each individual academy has an Associate Head Teacher and Deputy Head Teacher who are responsible for the day to day management of the school supported by a senior management team comprising of teaching and non teaching staff.

The trustees have assessed the major risks to which the Company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

BEXHILL & TOWN END ACADEMIES LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

As trustees, we acknowledge we have overall responsibility for ensuring the academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the academy and enable us to ensure the financial statements comply with the Companies Act 2006.

We also acknowledge responsibility for safeguarding the assets of the academies and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- The academy is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the academy or for publication is reliable
- The academies comply with relevant laws and regulations

The academies' 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 trustees
- Regular reviews, which indicate financial performance against forecasts and major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

In addition the directors have considered the guidance for directors of public listed companies contained within the Academies Financial Handbook. They believe that although it is not mandatory for the academy, it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly, they have set policies on internal controls, which cover the following

- The type of risks the academies face
- The level of risks which they regard as acceptable
- The likelihood of risks materialising
- The academy's ability to reduce the incidence and impact on the academy's operations if risks do materialise
- The costs of operating particular controls relative to the benefits obtained
- Clarified the responsibility of the SLT to implement the trustees' policies and to identify and evaluate risks for the trustees' consideration
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives
- Embedded the control system in the academy's operations so that it becomes part of the culture of the academy
- Developed systems to respond quickly to evolving risks arising from factors within the academy and to changes in the external environment
- Included procedures for reporting failings immediately to appropriate levels of management and the directors together with details of corrective action being undertaken

BEXHILL & TOWN END ACADEMIES LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

Objectives and activities

The principal activity and objective of the academies is the advancement of education in the United Kingdom by establishing and maintaining high performing primary schools, offering a broad and balanced curriculum that meets the needs of its communities by providing a high quality and flexible learning environment

The Trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the company should undertake

The main objectives of the Academies during the year ended 31 August 2011 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 Academies 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 conduct the Academy's business in accordance with the highest standards of integrity, probity and openness,
- to establish partnerships in order to extend its role in the wider community,

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Company should undertake

BEXHILL & TOWN END ACADEMIES LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

Achievements and performance

	KS2 Data Town End					
	Level 3 and below (%)		Level 4+ (%)		Level 5 (%)	
	2010	2011	2010	2011	2010	2011
English	14	0	86	100	34	48
Reading	3	0	97	100	37	85
Writing	14	15	83	85	30	7
Mathematics	3	4	97	96	37	67
	KS1 Data Town End					
	Level 2 + (%)		Level 2b + (%)		Level 3 + (%)	
	2010	2011	2010	2011	2010	2011
Reading	88	89	71	71	17	18
Writing	79	79	58	61	8	14
Mathematics	92	89	75	71	17	18

Foundation Stage Profile Town End		
	%6+ 2010	%6+ 2011
Disposition and attitude	86%	83%
Social development	82%	83%
Emotional development	75%	73%
Language for communication and thinking	75%	76%
Linking sounds and letters	64%	66%
Reading	64%	53%
Writing	57%	66%
Numbers as labels for counting	86%	87%
Calculating	71%	70%
Shape space and measure	82%	80%
Knowledge and understanding of the world	68%	73%
Physical development	86%	90%
Creative Development	75%	76%

BEXHILL & TOWN END ACADEMIES LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

	KS2 Bexhill					
	Level 3 and below (%)		Level 4+ (%)		Level 5 (%)	
	2010	2011	2010	2011	2010	2011
English	15	18	95	82	36	20
Reading	15	18	95	82	36	31
Writing	20	27	80	73	33	31
Mathematics	12	20	88	80	40	31

	KS1 Bexhill					
	Level 2 and above (%)		Level 2b and above (%)		Level 3 and above (%)	
	2010	2011	2010	2011	2010	2011
Maths	86	88	67	70	17	13
Reading	86	90	66	68	14	15
Writing	83	80	59	56	7	10

	Foundation Stage Bexhill	
	%6+ 2010	%6+ 2011
Disposition and attitude	87	90
Social development	84	85
Emotional development	77	81
Language for communication and thinking	71	83
Linking sounds and letters	74	76
Reading	71	73
Writing	61	64
Numbers as labels for counting	84	85
Calculating	74	73
Shape space and measure	77	83
Knowledge and understanding of the world	71	78
Physical development	87	88
Creative Development	81	80

BEXHILL & TOWN END ACADEMIES LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

Financial review

It is the policy of the Company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Bexhill & Town End Academies Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts, 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, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

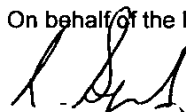
Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Rowlands be reappointed as auditors of the company will be put to the members.

On behalf of the board of Trustees



R. Symonds

Trustee

Dated 21 December 2011

BEXHILL & TOWN END ACADEMIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BEXHILL & TOWN END ACADEMIES LIMITED

We have audited the accounts of Bexhill & Town End Academies Limited for the period ended 31 August 2011 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of Bexhill & Town End Academies Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the accounts. In addition we read all the financial and non-financial information in the Trustees' Report 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 accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

BEXHILL & TOWN END ACADEMIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BEXHILL & TOWN END ACADEMIES LIMITED

Matters on which we are required to report by exception

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

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

Opinion on other matters prescribed by the academy's funding agreement with the Secretary of State for Education

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency in respect of the financial period,
- proper accounting records have been kept, and
- grants made by the Young Peoples's Learning Agency have been applied for the purposes intended



Mr Colin Chater (Senior Statutory Auditor)
for and on behalf of Rowlands

Chartered Accountants

Statutory Auditor

Rowlands House
Portobello Road
Birtley
Chester le Street
Co Durham
DH3 2RY

Dated 21 December 2011

BEXHILL & TOWN END ACADEMIES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £
<u>Incoming resources from generated funds</u>				
Investment income	2	181	-	181
		181	-	181
Incoming resources from charitable activities	3	-	1,260,504	1,260,504
Other incoming resources	4	329,718	-	329,718
Total incoming resources		329,899	1,260,504	1,590,403
<u>Resources expended</u>				
Charitable activities	5	-	1,123,503	1,123,503
Total resources expended		-	1,123,503	1,123,503
Net income for the year/ Net incoming resources		329,899	137,001	466,900
<u>Other recognised gains and losses</u>				
Actuarial loss on defined benefit pension schemes		-	(300,000)	(300,000)
Net movement in funds		329,899	(162,999)	166,900
Fund balances at 8 February 2011		-	-	-
Fund balances at 31 August 2011		329,899	(162,999)	166,900

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

BEXHILL & TOWN END ACADEMIES LIMITED

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2011

	Period ended 31 August 2011 £
Total income	1,590,403
Total expenditure from income funds	1,123,503
Net income for the period	<u>466,900</u>

The summary income and expenditure account is derived from the statement of financial activities on page 9 which, together with the notes on pages 13 to 24, provides full information on the movements during the period on all funds of the charity

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net income for the period	466,900
Actuarial (loss)/gain on defined benefit pension schemes	<u>(300,000)</u>
	<u>166,900</u>

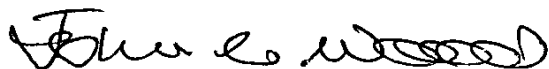
BEXHILL & TOWN END ACADEMIES LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2011

	Notes	2011 £	£
Fixed assets			
Tangible assets	9		27,397
Current assets			
Debtors	10	21,920	
Cash at bank and in hand		876,744	
Creditors amounts falling due within one year	11	(459,161)	
Net current assets			439,503
Total assets less current liabilities			466,900
Defined benefit pension liability			(300,000)
Net assets			166,900
Income funds			
Restricted funds	13		(162,999)
Unrestricted funds	14		329,899
			166,900

The accounts were approved by the Board on 21 December 2011



J G Wood
Trustee

Company Registration No 07521946

BEXHILL & TOWN END ACADEMIES LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2011

	Notes	Period ended 31 August 2011 £
Net cash inflow from operating activities	16	904,441
Capital expenditure		
Payments to acquire tangible fixed assets		(27,697)
Net cash outflow from capital expenditure		(27,697)
Increase in cash	17	876,744

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2011

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	33% Straight Line
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1.3 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective method. As stated in note 12, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2 Investment income

	Unrestricted Fund 2011 £
Interest receivable	181

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2011

3 Incoming resources from charitable activities	Total £ Restricted Funds
General Annual Grant (GAG)	1,125,143
Other YPLA Grants	81,897
Other Government Grants	53,464
	<u>1,260,504</u>
<u>Included within income relating to other government grants are the following grants</u>	
Other DFE grants	53,464
	<u>53,464</u>
General Annual Grant	
Results and Carry Forward for the Year	
GAG brought forward from previous year	-
GAG allocation for current year	1,125,143
Total GAG available to spend	<u>1,125,143</u>
Recurrent expenditure from GAG	(1,069,930)
Fixed assets purchased from GAG	-
(Overspent) GAG	<u>55,213</u>
Balance carried forward	<u>55,213</u>
 Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	
	<u>135,017</u>

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2011

4 Other incoming resources

	Unrestricted Fund	Restricted Fund	Total 2011 £
Catering income	31,234	-	31,234
Income from sale of uniforms	9,363	-	9,363
Income from facilities and services	21,867	-	21,867
Initial teacher training	18,461	-	18,461
Student placements	6,120	-	6,120
NCSL receipts	9,180	-	9,180
National support school income	8,000	-	8,000
Miscellaneous income	13,735	-	13,735
Self generated income brought forward	211,757	-	211,757
	<u>329,718</u>	<u>-</u>	<u>329,718</u>

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2011

5 Total resources expended

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Charitable activities			
Teaching and support staff costs	-	758,801	758,801
Employers NI	-	37,127	37,127
Pension costs	-	93,530	93,530
Staff development	-	11,802	11,802
Cost of provisions	-	33,028	33,028
Cost of educational visits	-	18,836	18,836
Maternity/Sickness insurance	-	7,847	7,847
Examination fees & educational supplies	-	17,116	17,116
	-	978,087	978,087
 Light, heat & water rates	-	24,174	24,174
Premises insurance	-	22,057	22,057
Transport costs	-	4,624	4,624
Printing and office stationery	-	2,991	2,991
ICT Consumables & licences	-	13,030	13,030
Maintenance of premises & equipment	-	26,259	26,259
Telephone	-	1,152	1,152
Equipment hire	-	1,512	1,512
Depreciation	-	300	300
Other support costs	-	5,385	5,385
	-	101,484	101,484
 Governance costs			
Legal and professional fees	-	31,477	31,477
Accountancy fees	-	6,955	6,955
Auditor's remuneration	-	5,500	5,500
	-	43,932	43,932
	-	1,123,503	1,123,503

Governance costs includes payments to the auditors of £5,500 for audit fees

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the period, but none of them were reimbursed any money in respect of travelling expenses

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

7 Employees

Number of employees

The average monthly number of employees during the period was

	2011 Number
Teachers	38
Administration and support	49
Management	3
	<u>90</u>

Employment costs

	2011 £
Wages and salaries	758,801
Social security costs	37,127
Other pension costs	93,530
	<u>889,458</u>

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

	2011 Number
£80,001 - £90,000	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 employee has retirement benefits accruing under defined benefit pension schemes. During the period ended 31st August 2011, pension contributions for this employee amounted to £5,941.

8 Taxation

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

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

9 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 8 February 2011	-
Additions	27,697
At 31 August 2011	27,697
Depreciation	
At 8 February 2011	-
Charge for the period	300
At 31 August 2011	300
Net book value	
At 31 August 2011	27,397

10 Debtors

2011
£

Other debtors	21,920
---------------	--------

11 Creditors' amounts falling due within one year

2011
£

Trade creditors	361,804
Other creditors	28,333
Accruals	38,807
Deferred income	30,217
	459,161

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

12 Pension and other post-retirement benefit commitments

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 AON Hewitt Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31st March 2004 and of the LGPS 9th December 2011

Teachers' Pension Scheme

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

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

The last valuation of the TPS of the TPS related to the period 1st 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 £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions 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%

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme The Academy is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds The total contribution made for the period ended was £0.04M, of which employer's contributions totalled £0.03M and employees' contributions totalled £0.01M

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2011

12 Pension and other post-retirement benefit commitments

(continued)

Employee benefit obligations

The amounts recognised in the balance sheet are as follows

	Defined benefit pension plans
	2011 £
Present value of funded obligations	810,000
Fair value of plan assets	(510,000)
	<u>300,000</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans
	2011 £
Included in staff costs within total resources expended	
Current service cost	30,000
	<u>30,000</u>
Interest on obligation	20,000
Expected return on pension scheme assets	(20,000)
	<u>(30,000)</u>
Actual return on plan assets	(30,000)

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

12 Pension and other post-retirement benefit commitments (continued)

Included with other recognised gains and losses

Defined
benefit
pension plans

2011
£

Actual return less expected return on pension scheme assets	(50,000)
Experience gains and losses arising on scheme liabilities	10,000
	<u>(40,000)</u>

Changes in the present value of the defined benefit obligation are as follows

Defined
benefit
pension plans

2011
£

Opening defined benefit obligation	760,000
Current service cost	30,000
Interest cost	20,000
Contributions by scheme participants	10,000
Actuarial losses (gains)	(10,000)
	<u>810,000</u>

Changes in fair value of plan assets are as follows

Defined
benefit
pension plans

2011
£

Opening fair value of plan assets	500,000
Expected return	20,000
Actuarial gains	(50,000)
Contributions by employer	30,000
Contributions from scheme participants	10,000
	<u>510,000</u>

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2011

12 Pension and other post-retirement benefit commitments

(continued)

The major categories of plan assets as a percentage of total plan assets are as follows

	2011 %
Equities	68
Bonds	19
Property	9
Other assets	5

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2011 %
Discount rate at 31 August 2011	5.40
Expected return on plan assets at 31 August 2011	7.00
Future salary increases	5.10
Future pension increases	2.70

Bexhill and Town End academies employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31st August 2011.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

	2011 %
Retiring today	
Males	21.00
Females	23.00
Retiring in 20 years	
Males	23.00
Females	26.00

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2011

12 Pension and other post-retirement benefit commitments (continued)

Amounts for the current and previous four periods are as follows

Defined benefit pension plans

	2011 £
Defined benefit obligation	(810,000)
Plan assets	510,000
Surplus/(deficit)	(300,000)
Experience adjustments on plan liabilities	10,000
Experience adjustments on plan assets	(50,000)

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Movement in funds		
	Incoming resources	Resources expended	Balance at 31 August 2011
	£	£	£
General Annual Grant (GAG)	1,125,143	(1,069,931)	55,212
Other YPLA Grants	81,897	(52,572)	29,325
Other DFE Grants	53,464	(1,000)	52,464
Defined Benefit Pension Liability	-	(300,000)	(300,000)
	<u>1,260,504</u>	<u>(1,423,503)</u>	<u>(162,999)</u>

14 Unrestricted funds

The income funds of the charity include the following unrestricted funds which have been set aside out of unrestricted funds by the trustees for specific purposes

	Movement in funds		
	Incoming resources	Resources expended	Balance at 31 August 2011
	£	£	£
Unrestricted Funds	329,898	-	329,898
	<u>329,898</u>	<u>-</u>	<u>329,898</u>

BEXHILL & TOWN END ACADEMIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2011

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2011 are represented by			
Tangible fixed assets	-	27,397	27,397
Current assets	329,899	568,765	898,664
Creditors amounts falling due within one year	-	(459,161)	(459,161)
Defined benefit pension liability	-	(300,000)	(300,000)
	<u>329,899</u>	<u>(162,999)</u>	<u>166,900</u>

16 Net cash inflow from operating activities

2011
£

Reconciliation to changes in resources

Changes in resources before revaluations	466,900
Depreciation of tangible fixed assets	300
Increase in debtors	(21,920)
Increase in creditors	459,161
	<u>904,441</u>

17 Reconciliation of net cash flow to movement in net funds

2011
£

Increase in cash	876,744
Net funds at 8 February 2011	-
	<u>876,744</u>
Net funds at 31 August 2011	<u>876,744</u>

18 Analysis of net cash balances

	Cash flow £	Non-cash changes £	At 31 August 2011 £
Cash at bank and in hand	876,744	-	876,744
	<u>876,744</u>	<u>-</u>	<u>876,744</u>

Bexhill & Town End Academies Limited

Statement on Internal Control

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Bexhill & Town End Academies 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 Governing Body has delegated the day-to-day responsibility to the Principal, Teresa Laybourne, 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 Bexhill & Town End Academies Limited and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bexhill & Town End Academies Limited for the period ended 31st August 2011 and up to the date of approval of the annual report and financial statements

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31st August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
-

Bexhill & Town End Academies Limited

Statement on Internal Control (continued)

- 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 risk

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed R Symonds, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

As Accounting Officer, Teresa Laybourne has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by


- The work of the Responsible Officer,
- The work of the external auditor,
- The financial management and governance self assessment process,
- The work of the executive managers with the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 21st December 2011 and signed on its behalf by



R Symonds
Trustee



T Laybourne
Accounting Officer

Bexhill & Town End Academies Limited

Statement of Trustees Responsibilities

The governors (who act as trustees for charitable activities of Bexhill & Town End Academies Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the members of the Governing Body on 21st December 2011 and signed on its behalf by:



R Symonds
Trustee