

Brockhampton Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

11 month period ended 31 August 2012

Company Registration Number
07817746 (England and Wales)



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Brockhampton Academy Trust

Reference and administrative details

Members	Stephen Dowling James Hawkins David Hancock
Governors	Chair of Governors – James Hawkins (Appointed 20 October 2011) Parent Governor – Patricia Dowling (Appointed 20 October 2011) Parent Governor – Stephen Dowling (Appointed 20 October 2011) Parent Governor – David Hancock (Appointed 20 October 2011) Staff Governor/Headteacher/Accounting Officer – Matthew Land (appointed 20 October 2011) Community Governor – Andrew Harrison (Appointed 20 October 2011) Community Governor – James Hawkins (Appointed 20 October 2011) Community Governor – Susan Jones (Appointed 20 October 2011) Staff Governor – Sarah Smith (Appointed 20 October 2011) Parent Governor – Tracey Jones (Appointed 20 October 2011) Community Governor – Andrew Radley (Appointed 20 October 2011) Community Governor – Stuart Sewell (Appointed 20 October 2011)
Secretary	Mary Seldon (appointed 20 October 2011)
Senior management team	Matthew Land – Headteacher Joanne Bailey– Business Manager
Registered Office	Bringsty Worcester Worcestershire WR6 5TD
Company Registration Number	07817746 (England & Wales)
Auditors	Waugh Haines Rigby Limited Chartered Accountant & Statutory Auditor 18 Miller Court Severn Drive Tewkesbury Gloucestershire GL20 8DN
Bankers	Lloyds TSB Bank plc 9 Corn Square Leominster Herefordshire HR6 8LT

Brockhampton Academy Trust

Solicitors

Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
LS1 2AY

Brockhampton Academy Trust

Governors' Report

The governors present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2012. The company was incorporated on 20 October 2011 and commenced operation as an Academy from 1 November 2011.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of Brockhampton Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Brockhampton Academy Trust. The articles of association state that the Members of the Academy comprise the signatories of the memorandum, one person appointed by the Secretary of State, the Chairman of the Governors and any person appointed under Article 16. The articles of association require the members of the Academy to appoint at least three Governors but with no maximum to be responsible for the statutory and constitutional affairs of the Academy and its management.

Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on pages 1 & 2.

Members' Liability

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

Governors' Indemnities

The Academy Trust provides indemnity insurance to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Principal Activities

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to learning, engagement and creativity.

Method of Recruitment and Appointment or Election of Governors

A minimum of two of the governors are elected by the parental body as parent governors.

The Head of the school is a governor.

Staff governors are elected by a process determined by the members up to a maximum of one third of the governing body.

The members may appoint up to five governors.

The Local Authority may appoint a governor.

There is also permission for up to three co-opted governors.

Policies and Procedures Adopted for the Induction and Training of Governors

Training and induction for governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or governors may attend external training provision as appropriate. Governors are provided with copies of all the documents that they will need to undertake their role.

Brockhampton Academy Trust

Organisational Structure

The full Governing Body meets formally six times per year. Discussions are held and decisions are made or ratified as appropriate. There are two main committees which meet three or four times per year: Finance and Staffing, Standards, Curriculum and Policy. These committees provide the opportunity for detailed discussion and policy development. Interim decisions are reached at committee for ratification at full Governing Body meetings. The day to day running of the Academy is delegated to the senior management team who report back to the Governors' committees as appropriate.

Risk Management

The Academy has an ongoing risk management process. Overall responsibility for risk management rests with the Governing Body. The Finance and Staffing Committee regularly monitors the type of risk the Academy faces, monitoring any changing levels of risk and identifying newly emerging risks. Current areas for close monitoring include the age of some of the school buildings, future funding restraints, the possible future volatility of student numbers for demographic reasons.

Connected Organisations, including Related Party Relationships

During the period the Academy did not have any connected organisations. There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interests forms, and the financial transactions are disclosed in the notes to the accounts.

Objectives and Activities

Objects and Aims

The main aim of Brockhampton Academy Trust over the ten month period has been to create a stable environment following incorporation to ensure that the very high standards set by the school were maintained. Within this environment, our aim has been to use the freedoms brought by Academy Status to lay down the foundations of new initiatives to further enhance the quality of teaching and learning in the school, thereby maximising the opportunities for all students to realise their potential.

Objectives, Strategies and Activities

The ten month period coincided with that part of the school year when most of the planning for school year 2011/12 was carried out and the first phase of work to achieve the targets laid out in the School Development Plan was in progress. We are developing plans for new roles within the Senior Management Team in recognition of the changing needs of the school.

The Academy aims to create an outstanding learning experience that uses creative opportunities to enable children to achieve their best.

Public Benefit

In setting the objectives, the Trustees have given careful consideration to the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Achievements and Performance

The Academy offers a broad, balanced curriculum that uses a wide variety of contexts to engage and enthuse our children. We partner the 'Wider Opportunities Scheme' to develop music, we promote sports and the arts. We also offer a range of residential experiences for children across our age range.

This year, our increasing numbers have enabled a move to discreet classes and enabled us to develop the on site facilities.

Going Concern

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

Key Performance Indicators

Brockhampton Academy Trust uses the attainment of its year 6 pupils as a KPI, along with a range of internal year on year progress data. In addition, the Academy uses the number of pupils on roll as a KPI along with the level of reserves available to continue the improvement of the site and facilities.

Financial Review

The accounting period has been shortened and runs from the 20th October to 31st August 2012. The majority of the Academies income is obtained from the YPLA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the YPLA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Financial and Risk Management Objectives and Policies

To support the conversion to an Academy new accounting software was introduced to support enhanced reporting needs. At the same time the Financial Regulations Manual was reviewed, for appropriateness, external advice was obtained to assist in the conversion process and to help identify risks for the Academy, and the Statutory Auditors were appointed. The Governors have adopted the Risk Registers based around those in the Academy's handbook and existing prior to the conversion.

Principal Risks and Uncertainties

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

Reserves Policy

The trustees in conjunction with the main board of governors need to review the resources of the Academy and recognise the need to have sufficient reserves to protect against possible reductions in the funding. The reserves will be held in line with the DfE guidelines. The policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

Investment Policy

The Business Manager together with the Finance Office will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

Brockhampton Academy Trust

Plans for Future Periods

There are no major plans relating to capital projects. The Academy will take every opportunity to improve the school environment to enhance the atmosphere for students.

In the short term, the main focus at the school is to build upon our reputation for outstanding teaching and learning by launching a whole school initiative to improve our use of Assessment for Learning and to develop resilience in our learners. We are seeking to engage our pupils through the use of 'Learning Conversations'. We also wish to improve further the quality and purpose of our intervention teaching and booster sessions, we also plan to update and improve performance management practices for staff to underpin the future development of the school.

Funds held as Custodian Trustee on behalf of others

The Academy does not hold any funds as custodian Trustee on behalf of others.

Auditor

In so far as the governors are aware:

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

Approved by order of the members of the Governing Body on 19 December 2012 and signed on its behalf by



David Hancock
Chair

Brockhampton Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

- Brockhampton Academy Trust operates two subcommittees that report to the Full Governing Body on a half termly basis,
- The Standards, Curriculum and Policy and the Finance and Staffing Committees meet on a half termly basis to monitor and support the work of the school.

	FGB (/12)	SCP (/6)	FSC (/7)
November 2011	91.67%	71.43%	83.33%
December 2011	66.67%	-	-
January 2012	75.00%	-	83.33%
February 2012	-	71.43%	-
March 2012	-	-	100.00%
April 2012	-	-	-
May 2012	66.67%	85.71%	-
June 2012	-	57.14%	66.67%
July 2012	75.00%	-	83.33%
August 2012	-	-	-

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

Capacity to Handle Risk

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, together with the Business Manager 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 Brockhampton Academy Trust 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 as well as making recommendations for improvement.

The Business Manager has developed a system of controls and checks and holds regular meetings with the Headteacher to review finances. The Financial Handbook details the procedures and systems to be used by all budget holders. A copy of the handbook is available to all budget holders and staff are aware that all purchases and contracts must be entered into only by the Headteacher and/or the Business Manager depending on value.

Brockhampton Academy Trust

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 segregation of duties and a system of delegation and accountability. In particular, it includes,

- Significantly improved comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the governing body,
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major contracts, purchase plans and expenditure programmes,
- Setting targets to measure financial and other performance,
- Delegation of authority and segregation of duties,
- Identification and management of risks

The Head Teacher reviews and updates the Risk Register quarterly and reports to the Finance Committee. The role of the Finance Committee is to challenge the Head Teacher on the identification of risks, the management action taken and the residual risks. The Finance Committee reports the Risk Register to the full governing body giving its views.

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor although this may be reviewed from time to time. However, the governors have appointed a 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. The RO has reported three times to the governing body during the period to 31 August 2012 on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. In the instances where the RO has made recommendations for improvement, these have been discussed with the Business Manager and where appropriate implemented.

These arrangements can provide only reasonable 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 period.

Review of Effectiveness

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

- Feedback from the Finance Committee. The structure of the committees has been reviewed and the Finance/Premises and Staffing Committee now meet jointly to ensure all decisions that have a financial impact on the Academy are taken together.
- Feedback from the Business Manager and the Chair of the Finance Committee enables the Academy to have access to informed professional advice when reviewing effectiveness of internal control.
- Feedback and reports from the RO, as described above.
- Feedback from external advisors.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 19 December 2012 and signed on its behalf by



David Hancock
Chair



Matthew Land
Accounting Officer

Brockhampton Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Brockhampton Academy Trust I have considered my responsibility to notify the Academy Trust'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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 read 'Matthew Land', written in a cursive style.

Matthew Land
Accounting officer

Brockhampton Academy Trust

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities and are also directors of Brockhampton Academy Trust for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

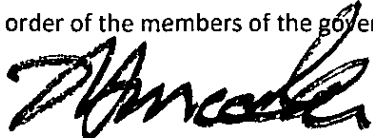
The governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware

- there is no relevant audit information of which the Academy's auditor is unaware, and
- the governors 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 governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 19 December 2012 and signed on its behalf by



David Hancock
Chair

Independent Auditor's Report to the Members of Brockhampton Academy Trust

We have audited the financial statements of Brockhampton Academy Trust for the period 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, United Kingdom Accounting Standards (Financial Reporting Standard for Smaller Entities (effective April 2008)) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 11, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2012, 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 (applicable to smaller entities), and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

(Continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



*Robert Stokes FCCA (Senior Statutory Auditor)
For and on behalf of Waugh Haines Rigby Limited, Statutory Auditor
18 Miller Court,
Severn Drive
Tewkesbury
Glos GL20 8DN*

14 December 2022

Independent Reporting Accountant's Assurance Report on Regularity to Brockhampton Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 30 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brockhampton Academy Trust during the period 20 October 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 Brockhampton Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Brockhampton Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Brockhampton Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Brockhampton Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Brockhampton Academy Trust's funding agreement with the Secretary of State for Education dated 27 October 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 20 October 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken involved

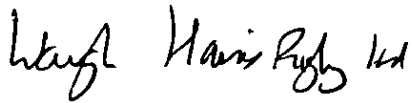
- reviewing minutes and discussing activities with the Accounting Officer and business manager
- reading the Accounting Officers statement on compliance
- testing the control environment, particularly with regard to the delegated powers over expenditure
- obtaining grant documentation to understand restrictions placed upon the funds
- reviewing the declaration of interests for evidence of potential related party transactions
- reviewing expenditure for likely personal expenditure

(continued)

Brockhampton Academy Trust

Conclusion

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 period 20 October 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



Waugh Haines Rigby Limited (Chartered Accountants)
18 Miller Court
Severn Drive
Tewkesbury
Glos GL20 8DN

19 December 2012

Brockhampton Academy Trust

Statement of Financial Activities for the 11 month period ended 31 August 2012 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2012 £000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	3	-	-	3
Transfer from local authority on conversion	28	68	-	694	762
Activities for generating funds	4	9	-	-	9
Investment income	5	-	-	-	-
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	-	464	31	495
Total incoming resources		80	464	725	1,269
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		-	-	-	-
Fundraising trading		8	-	-	8
<i>Charitable activities</i>					
Academy's educational operations	8	-	432	8	440
Governance costs	9	-	16	-	16
<i>Other resources expended</i>					
Transfer from local authority on conversion	28	-	80	-	80
Total resources expended	7	8	528	8	544
Net incoming/(outgoing) resources before transfers		72	(64)	717	725
Gross transfers between funds	16	2	-	(2)	-
Net income/(expenditure) for the year		74	(64)	715	725
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	16, 26	-	(9)	-	(9)
Net movement in funds		74	(73)	715	716
Reconciliation of funds					
Funds brought forward to 20 October 2011	16	-	-	-	-
Funds carried forward at 31 August 2012		74	(73)	715	716

All of the Academy's activities derive from acquisitions in the current financial period

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

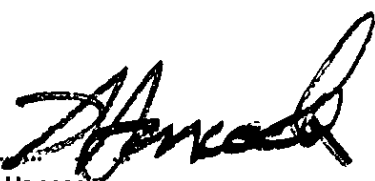
Brockhampton Academy Trust

Balance sheet as at 31 August 2012

	Notes	2012 £000	2012 £000
Fixed assets			
Tangible assets	13		688
Current assets			
Debtors	14	15	
Cash at bank and in hand		<u>177</u>	
		192	
Creditors Amounts falling due within one year	15	(72)	
Net current assets			<u>120</u>
Total assets less current liabilities			808
Net assets excluding pension liability			808
Pension scheme liability	26		<u>(92)</u>
Net assets including pension liability			<u>716</u>
Funds of the academy.			
Restricted funds			
Fixed asset fund(s)	16		715
General fund(s)	16		19
Pension reserve	16		<u>(92)</u>
Total restricted funds			642
Unrestricted funds	16		<u>74</u>
Total funds			<u>716</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 15 to 35 were approved by the Governors, and authorised for issue on 19 December 2012 and are signed on their behalf by



 David Hancock
 Chair

Company Limited by Guarantee
07817746 (England and Wales)

Brockhampton Academy Trust

Cash Flow Statement for the 11 month period ended 31 August 2012

	Notes	2012 £000
Net cash inflow from operating activities	20	100
Returns on investments and servicing of finance	21	-
Capital expenditure	22	28
Cash transferred on conversion to an academy trust	28	49
(Decrease)/Increase in cash in the year	23	<u>177</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2012		<u>177</u>

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

Notes to the Financial Statements for the 11 month period ended 31 August 2012

1 Accounting Policies

Basis of Preparation

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

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

Incoming Resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The GAG grants are recorded in the year of receipt in accordance with the grant documentation provided by the EFA. Fixed asset grants are recorded as income in the period of receipt even if the expenditure has not occurred within the period. The unspent grant is recorded within the restricted fixed asset reserve and is reduced by the annual depreciation charge.

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

1 Accounting Policies (continued)

- **Donated Services and Gifts in Kind**

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

Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Conversion to an Academy

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

The assets and liabilities transferred on conversion from Brockhampton Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Brockhampton Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income / net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The assets transferred include the Academy's operational land and buildings which have been included on a depreciated replacement cost, alongside assets within the buildings that the Academy consider has value left. The pension scheme deficit in respect of the LGPS has been included at the value provided by the actuary in their formal year end valuation. Further details of the transaction are set out in note 28.

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

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

Long leasehold buildings	50 years
Fixtures, fittings and equipment	15% reducing balance
ICT equipment	33% straight line

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

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

Leased Assets

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

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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.

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

1 Accounting Policies (continued)

Pensions Benefits

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Young People's Learning Agency/Department for Education/sponsor/other funders] where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Young People's Learning Agency/Department for Education.

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

2 General Annual Grant (GAG)

a Results and carry forward for the year	2012 £000
GAG brought forward from previous year	-
GAG allocation for current year	431
Total GAG available to spend	431
Recurrent expenditure from GAG	(428)
Fixed assets purchased from GAG	-
GAG carried forward to next year	3
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(51)
GAG to surrender to DfE	(48)
(12% rule breached if result is positive)	No Breach
b Use of GAG brought forward from previous year for recurrent purposes (Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes Any balance, up to a maximum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current year	428
GAG allocation for current year	(431)
GAG allocation from previous year x 2%	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(3)
(2% rule breached if result is positive)	no breach

3 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Capital grants	-	-	-
Private sponsorship	-	-	-
Other donations	3	-	3
	<u>3</u>	<u>-</u>	<u>3</u>

4 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Clubs	2	-	2
Sale of uniforms and milk	3	-	3
Miscellaneous	4	-	4
	<u>9</u>	<u>-</u>	<u>9</u>

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Short term deposits	-	-	-
	-	-	-

6 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
DfE/YPLA/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	431	431
Start Up Grants	-	25	25
Other DfE/YPLA/EFA grants	-	2	2
	-	458	458
Other Government grants			
Local authority grants	-	2	2
Special educational projects	-	4	4
	-	6	6
	-	464	464

7 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2012 £000
		Premises £000	Other Costs £000	
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	1	2	5	8
Academy's educational operations				
Direct costs	317	46	10	373
Allocated support costs	27	6	34	67
	345	54	49	448
Governance costs including allocated support costs	-	-	16	16
	345	54	65	464

The method used for the apportionment of support costs is disclosed in the accounting policies

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

7 Resources Expended (continued)

	2012 £000
Incoming/outgoing resources for the year include	
Operating leases	2
Fees payable to auditor	
Audit	4
Other services	-
Profit/(loss) on disposal of fixed assets	-
	<hr/>

8 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
<i>Direct costs</i>			
Teaching and educational support staff costs	-	317	317
Depreciation	-	6	6
Educational supplies	-	3	3
Examination fees	-	-	-
Staff development	-	1	1
Educational consultancy	-	-	-
Other direct costs	-	46	46
	<hr/>	<hr/>	<hr/>
	-	373	373
<i>Allocation supported costs</i>			
Support staff costs	-	27	27
Depreciation	-	3	3
Recruitment and support	-	-	-
Maintenance of premises and equipment	-	4	4
Cleaning	-	-	-
Rent & rates	-	(1)	(1)
Insurance	-	3	3
Security and transport	-	-	-
Catering	-	-	-
Bank interest and charges	-	-	-
Other support costs	-	31	31
	<hr/>	<hr/>	<hr/>
	-	67	67
	<hr/>	<hr/>	<hr/>
	-	440	440

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

9 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Legal and professional fees	-	10	10
Auditor's remuneration			
• Audit of financial statements	-	4	4
• Responsible officer audit	-	-	-
• Accountancy, taxation and other services	-	-	-
Support staff costs	-	2	2
Governors' reimbursed expenses	-	-	-
	<u>-</u>	<u>16</u>	<u>16</u>

10 Staff Costs

	2012 £000
Staff costs during the period were	
Wages and salaries	277
Social security costs	18
Pension costs	<u>42</u>
	337
Supply teacher costs	8
Compensation payments	<u>-</u>
	<u>345</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows

	2012 Number	2012 Full-time equivalent
Charitable Activities		
Teachers	12	6
Administration and support	20	6
Management	<u>2</u>	<u>2</u>
	<u>34</u>	<u>14</u>

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

	2012 £000
£60,001 - £70,000	-
£70,001 - £80,000	<u>-</u>
	<u>-</u>

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

10 Staff Costs (continued)

8 of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £27,005. 9 other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £14,972.

11 Governors' Remuneration and Expenses

Principal and staff governors (trustee governors) only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration (gross and pension) was as follows:

Principal	£54,796
Staff governor	£35,948

During the period ended 31 August 2012, travel and subsistence expenses totalling £nil were reimbursed to governors. Related party transactions involving the governors are set out in note 27.

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2012 was £265.

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

13 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Computer Equipment £000	Total £000
Cost			
Transfer on conversion	694	-	694
Additions	-	3	3
Disposals	-	-	-
At 31 August 2012	<u>694</u>	<u>3</u>	<u>697</u>
Depreciation			
Charged in period	8	1	9
Disposals	-	-	-
At 31 August 2012	<u>8</u>	<u>1</u>	<u>9</u>
Net book values			
At 31 August 2012	<u>686</u>	<u>2</u>	<u>688</u>
At 31 August 20XX			

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

14 Debtors

	2012 £000
Trade debtors	-
Prepayments	8
Other debtors	7
	<u>15</u>

15 Creditors: amounts falling due within one year

	2012 £000
Trade creditors	16
Other taxation and social security	7
Other creditors	27
Accruals and deferred income	22
	<u>72</u>

Deferred income

	2012 £000
Deferred Income at 20 October 2011	-
Resources deferred in the year	5
Amounts released from previous years	-
	<u>5</u>
Deferred Income at 31 August 2012	

The deferred income relates to trips for which payment has been received but will not be happening until the new academic year

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

16 Funds

	Balance at 20 October 2011 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2012 £000
Restricted general funds					
General Annual Grant (GAG)	-	431	(428)	-	3
Start Up Grant	-	25	(10)	-	15
Other DfE/YPLA/EFA grants	-	8	(8)	-	1
	-	464	(445)	-	19
Pension reserve	-	-	(83)	(9)	(92)
	-	464	(528)	(9)	(73)
Restricted fixed asset funds					
DfE/YPLA/EFA capital grants	-	31	-	-	31
Capital expenditure from GAG	-	-	-	-	-
Assets transferred from predecessor	-	694	(8)	(2)	684
	-	725	(8)	(2)	715
Total restricted funds	-	1,189	(536)	(11)	642
Unrestricted funds	-	80	(8)	2	74
Total funds	-	1,269	(544)	(9)	716

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

The restricted general fund includes grants receivable from the YPLA/EFA, LA and other government grants towards the operating activities of the Academy administered by the charitable company

The fixed asset fund includes amount receivable from the YPLA and other sponsors in respect of tangible fixed assets held for Academy use

17 Analysis of net assets between funds

Fund balances at 31 August 20XY are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	688	688
Current assets	74	91	27	192
Current liabilities	-	(72)	-	(72)
Pension scheme liability	-	(92)	-	(92)
Total net assets	74	(73)	715	716

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

18 Capital commitments

**2012
£000**

Contracted for, but not provided in the financial statements

-

19 Financial commitments

Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

**2012
£000**

Land and buildings

Expiring within one year

-

Expiring within two and five years inclusive

-

Expiring in over five years – (£130 pa)

-

-

Other

Expiring within one year

-

Expiring within two and five years inclusive

1

Expiring in over five years

-

1

20 Reconciliation of net income to net cash inflow from operating activities

**2012
£000**

Net income

725

Depreciation (note 13)

9

Capital grants from DfE/YPLA/EFA and other capital income

(31)

Interest receivable (note 5)

-

FRS 17 pension cost transfer in

80

FRS 17 pension finance income (note 27)

3

Assets transferred in

(694)

Cash surplus

(49)

(Increase)/decrease in debtors

(15)

(Increase)/decrease in creditors

72

Net cash inflow from operating activities

100

21 Returns on investments and servicing of finance

**2012
£000**

Interest received

-

Net cash inflow from returns on investment and servicing of finance

-

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

22 Capital expenditure and financial investment

	2012 £000
Purchase of tangible fixed assets	(697)
Capital grants from DfE/YPLA/EFA	31
Transfer from predecessor	694
Receipts from sale of tangible fixed assets	-
Net cash outflow from capital expenditure and financial investment	28

23 Analysis of changes in net funds

	Cash flows £000	At 31 August 2012 £000
Cash in hand and at bank	177	177
	<u>177</u>	<u>177</u>

24 Contingent Liabilities

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to

- a the value at the time of the Academy's site and premises and other assets held for the purposes of the company, and
- b the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement

The Academy is party to a court case involving the manager of the nursery that had been operated from the Academy's site. Included within the Financial Statements is a £10,000 provision for the costs of fighting the case and an amount that could be payable should the case be found against the Academy

25 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

26 Pension and similar obligations

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

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

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

There were contributions amounting to £3,977 payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

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 Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (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.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period 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 total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation

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

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 £16,000, of which employer's contributions totalled £12,000 and employees' contributions totalled £4,000. The agreed contribution rates for future years are 19.7% for employers and 5.6% for employees.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal Actuarial Assumptions

**At 31
August
2012**

Rate of increase in salaries	3.9%
Rate of increase for pensions in payment / inflation	2.4%
Discount rate for scheme liabilities	4.7%
Inflation assumption (CPI)	2.4%
Commutation of pensions to lump sums	50%

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

**At 31
August
2012**

Retiring today

Males	22.4
Females	24.9

Retiring in 20 years

Males	24.2
Females	26.9

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £000
Equities	7.0%	15
Bonds	2.5-3.4%	1
Property	6.0%	-
Cash	0.5%	-
Total market value of assets		16
Present value of scheme liabilities		
- Funded		(108)
Surplus/(deficit) in the scheme		(92)

The expected rate of return is based on market expectations for investment returns over the entire life of the related obligation. This is then related to the asset class being weighted for their share of the total, with bonds being 20 year fixed interest rates, equities on a risk premium basis to uplift the bond yield and property returns are based at 1% long term yields.

The actual return on scheme assets was £1,000

Amounts recognised in the statement of financial activities

	2012 £000
Current service cost (net of employee contributions)	11
Past service cost	-
Total operating charge	11
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	-
Interest on pension liabilities	4
Pension finance income / (costs)	4

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £9,000 loss.

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2012 £000
Business combination	80
Current service cost	11
Past service cost	-
Interest cost	4
Employee contributions	4
Actuarial (gain)/loss	9
Curtailments and settlements	-
Benefits paid	-
At 31 August	108

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

	2012 £000
At 1 October 2011	-
Expected return on assets	-
Actuarial gain/(loss)	-
Employer contributions	12
Employee contributions	4
Assets distributed on settlements	-
Transfer in of new members	-
Benefits paid	-
At 31 August	16

The estimated value of employer contributions for the year ended 31 August 2013 is £15,000

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

	2012 £000
Present value of defined benefit obligations	(108)
Fair value of share of scheme assets	16
Surplus/(Deficit) in the scheme	(92)
Experience adjustments on share of scheme assets	-
Experience adjustments on scheme liabilities:	-

Notes to the Financial Statements for the 11 month period ended 31 August 2012 (continued)

27 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

28 Conversion to an Academy Trust

On 1 November 2011 the Brockhampton Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Brockhampton Academy Trust from the Herefordshire County Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income/resources expended in the Statement of Financial Activities as voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets				
Freehold / leasehold land and buildings	-	-	694	694
Other tangible fixed assets	-	-	-	-
Budget surplus / (deficit) on LA funds	44	-	-	44
Budget surplus / (deficit) on other school funds	24	-	-	24
LGPS pension surplus / (deficit)	-	(80)	-	(80)
Borrowing obligations	-	-	-	-
Other identified assets and liabilities	-	-	-	-
Net assets / (liabilities)	68	(80)	694	682

The above net assets/liabilities include £49,000 that were transferred as cash.

The land and buildings that the Academy operates from have been transferred to them under a 99 year lease from The National Trust for a peppercorn rent of £130pa.