

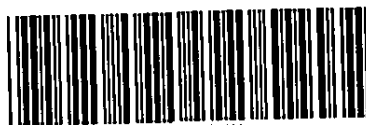
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BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

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BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors

James Hawkins, LA Governor (resigned 1 October 2013)
Patricia Dowling, Parent Governor
Stephen Dowling, Parent Governor
David Hancock, Chair of Governors
Matthew Land, Headteacher
Andrew Harrison, Community Governor (resigned 12 July 2012)
Susan Jones, Community Governor (resigned 31 August 2013)
Sarah Smith, Staff Governor (resigned 28 January 2013)
Tracey Jones, Parent Governor (resigned 29 January 2013)
Andrew Radley, Community Governor (resigned 29 January 2013)
Stuart Sewell, Community Governor
Heather Ceney, Community Governor
Sue Podmore, Staff Governor (appointed 2 October 2013)
Basil Omar (appointed 2 July 2013)

Company registered number

07817746

Principal and registered office

Bringsty
Worcester
Worcestershire
WR6 5TD

Company secretary

Trevor Jones (Appointed 1 January 2013)
Mary Seldon (Resigned 1 January 2013)

Headteacher

Matthew Land

Senior management team

Matthew Land, Headteacher
Joanne Bailey, Business Manager

Independent auditors

Randall & Payne LLP
Chartered Accountants & Statutory Auditors
Chargrove House
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Advisers (continued)

Bankers

Lloyds TSB Bank plc
9 Corn Square
Leominster
Herefordshire
HR6 8LT

Solicitors

Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
LS1 2AY

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Brockhampton Academy Trust (the Academy) for the year ended 31 August 2013. The Governors confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 20 October 2011.

The Academy is constituted under a Memorandum of Association dated 20 October 2011. 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. Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on pages 1 & 2.

There have been no changes in the objectives since the last annual report.

b 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.

c METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

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.

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.

d. 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
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

e. 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 also meet six 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.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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. The Governing Body operates the on-site Pre-School as part of the Academy but monitors its financial performance separately.

g. 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.

h. 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.

i. 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.

Objectives and Activities

a. OBJECTS AND AIMS

The main aim of Brockhampton Academy Trust over the twelve month operating 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.

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The priorities for the School over the year 2012/13 were

- To continue to raise expectations and standards towards achieving excellence across the whole school,
- A commitment to maintain the Academy's continued financial substantially in all areas,
- To maintain or develop wider community links and improved partnership working,
- That the Academy aims to create an outstanding learning experience that uses creative opportunities to enable children to achieve their best

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The Academy offers a broad, balanced curriculum that uses a wide variety of contexts to engage and enthuse our children. 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.

d. PUBLIC BENEFIT

In setting the objectives, the governors 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

a. GOING CONCERN

After making appropriate enquiries, the board of trustees 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.

b. KEY FINANCIAL PERFORMANCE INDICATORS

Brockhampton Academy Trust uses the attainment of its year 6 and its year 2 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.

c. INVESTMENT POLICY AND PERFORMANCE

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

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Financial review

a 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.

b. 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.

c. 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.

Plans for the future

a. FUTURE DEVELOPMENTS

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 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.

The Governors are budgeting to use the unrestricted reserves to assist in the development of the leadership team over the next 2 years in order to develop its skill base and create additional capacity for improving teaching standards. This will lead to an improvement within the school which should lead to an increase in the number of pupils enrolled in the school, in turn leading to increased funding.

FUNDS HELD AS CUSTODIAN

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

BROCKHAMPTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

AUDITORS

The auditors, Randall & Payne LLP, have indicated their willingness to continue in office. The Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the board of trustees on 20 November 2013 and signed on its behalf by


Stephen Dowling, Parent Governor
Chair of Finance

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

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 board of trustees 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 board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
James Hawkins, LA Governor	6	6
Patricia Dowling, Parent Governor	6	6
Stephen Dowling, Parent Governor	6	6
David Hancock, Chair of Governors	5	6
Matthew Land, Headteacher	6	6
Andrew Harrison, Community Governor	0	0
Susan Jones, Community Governor	2	5
Sarah Smith, Staff Governor	2	2
Tracey Jones, Parent Governor	1	3
Andrew Radley, Community Governor	0	3
Stuart Sewell, Community Governor	5	6
Heather Ceney, Community Governor	4	6
Sue Podmore, Staff Governor	0	0
Basil Omar	1	1

The tables reflect those Governors who resigned during the year and the Governor who had retired prior to the year.

The **Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to monitor and review the financial policy, statements of the finances of the Academy and its spending, with particular reference to personnel and premises.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
David Hancock, Chair of Governors	6	7
Stephen Dowling, Parent Governor	4	7
James Hawkins, LA Governor	6	7
Stuart Sewell, Community Governor	7	7
Matthew Land, Headteacher	7	7
Andrew Radley, Community Governor	3	4

BROCKHAMPTON ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The **Standards Committee** is also a sub-committee of the main board of trustees. Its purpose is to advise on standards and to report to the governing body on its statutory obligations regarding the curriculum and to consider and review the policy statements for the Academy.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Patricia Dowling, Parent Governor	6	6
Tracey Jones, Parent Governor	0	3
Susan Jones, Community Governor	1	3
Sarah Smith, Staff Governor	1	2
Heather Ceney, Community Governor	6	6
Matthew Land, Headteacher	6	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy'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 Head teacher, 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 Head teacher 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 Head teacher and/or the Business Manager depending on value.

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

BROCKHAMPTON ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed a Responsible Officer (RO), Trevor Jones.

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 3 times to the governing body during the year to 31 August 2013 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.

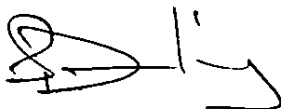
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer,
- the work of the external auditors,
- 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.

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 board of trustees on 20 November 2013 and signed on their behalf, by



Stephen Dowling
Chair of Finance



Matthew Land
Accounting Officer


BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Brockhampton Academy Trust I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012)

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date



Matthew Land, Headteacher
Accounting Officer

Date 20 November 2013

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as governors of Brockhampton Academy Trust 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 Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the 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 of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 20 November 2013 and signed on its behalf by



Stephen Dowling, Parent Governor
Chair of Finance

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROCKHAMPTON ACADEMY TRUST

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

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

BROCKHAMPTON ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROCKHAMPTON ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Will Abbott FCA (Senior Statutory Auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House

Shurdington

Cheltenham

Gloucestershire

GL51 4GA

Date

20 November 2013

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING AUDITORS' 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 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brockhampton Academy Trust during the year 1 September 2012 to 31 August 2013 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 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 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 AUDITORS

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 extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 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 2013 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's income and expenditure.

The work undertaken during the audit included

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance,
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity,

BROCKHAMPTON ACADEMY TRUST
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INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BROCKHAMPTON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

- Discussions with and representations from the Accounting Officer and other Key management personnel,
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate

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 year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Randall & Payne LLP

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date *20 November 2013*

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	1	-	-	1	685
Activities for generating funds	4,5	51	34	-	85	9
Incoming resources from charitable activities	6	-	546	74	620	494
TOTAL INCOMING RESOURCES		52	580	74	706	1,188
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising expenses and other costs	5	-	-	-	-	8
Charitable activities		45	602	47	694	459
Governance costs	7	-	5	-	5	5
TOTAL RESOURCES EXPENDED	10	45	607	47	699	464
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		7	(27)	27	7	724

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
	Note					
Transfers between Funds	21	(3)	3	-	-	-
NET INCOME FOR THE YEAR		4	(24)	27	7	724
Actuarial gains and losses on defined benefit pension schemes		-	3	-	3	(9)
NET MOVEMENT IN FUNDS FOR THE YEAR		4	(21)	27	10	715
<i>Total funds at 1 September 2012</i>		<i>73</i>	<i>(73)</i>	<i>715</i>	<i>715</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2013		77	(94)	742	725	715

All activities relate to continuing operations

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

The notes on pages 21 to 41 form part of these financial statements

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07817746

BALANCE SHEET
AS AT 31 AUGUST 2013

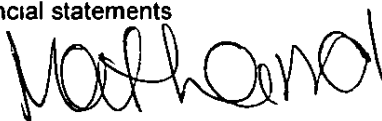
	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Tangible assets	17		726		689
CURRENT ASSETS					
Stocks	18	1		-	
Debtors	19	57		14	
Cash at bank		143		177	
		<u>201</u>		<u>191</u>	
CREDITORS , amounts falling due within one year	20	(108)		(73)	
NET CURRENT ASSETS			<u>93</u>		<u>118</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>819</u>		<u>807</u>
Defined benefit pension scheme liability	26		(94)		(92)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>725</u>		<u>715</u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	21	-		19	
Restricted fixed asset funds	21	742		715	
		<u>742</u>		<u>734</u>	
Restricted funds excluding pension liability					
Pension reserve		(94)		(92)	
		<u></u>		<u></u>	
Total restricted funds			648		642
Unrestricted funds	21		77		73
TOTAL FUNDS			<u>725</u>		<u>715</u>

The financial statements were approved by the Governors, and authorised for issue, on 20 November 2013 and are signed on their behalf, by \


Stephen Dowling, Parent Governor
Chair of Finance

Matthew Land
Accounting Officer

The notes on pages 21 to 41 form part of these financial statements



BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Net cash flow from operating activities	23	(28)	91
Capital expenditure and financial investment		(6)	28
Cash transferred on conversion to an academy trust		-	49
(DECREASE)/INCREASE IN CASH IN THE YEAR		(34)	168

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013**

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
(Decrease)/Increase in cash in the year	(34)	168
MOVEMENT IN NET FUNDS IN THE YEAR	(34)	168
Net funds at 1 September 2012	177	9
NET FUNDS AT 31 AUGUST 2013	143	177

The notes on pages 21 to 41 form part of these financial statements

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 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 Department for Education where the asset acquired or created is held for a specific purpose.

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

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

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

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

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

L/Term Leasehold Property	-	50 years
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	33% straight line

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2013.

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

3. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Donations	1	-	1	3
Transfer from predecessor school	-	-	-	682
	<u>1</u>	<u>-</u>	<u>1</u>	<u>685</u>
Voluntary income	<u>1</u>	<u>-</u>	<u>1</u>	<u>685</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Book & Breakfast Club	4	-	4	2
Uniforms & Milk	4	-	4	3
Miscellaneous	15	-	15	4
Pre school club	28	34	62	-
	<u>51</u>	<u>34</u>	<u>85</u>	<u>9</u>

5. TRADING ACTIVITIES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Fundraising trading expenses				
Direct costs - Fundraising	-	-	-	8
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
Net expenditure from trading activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	531	531	431
Start Up Grants	-	-	-	25
Other DfE/YPLA/EFA Grants	-	5	5	2
Local Authority Grants	-	8	8	2
Special Educational Projects	-	2	2	4
Devolved Formula Capital	-	74	74	31
	-	620	620	495

7 GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Governance Auditors' remuneration	-	4	4	4
Support staff costs	-	1	1	-
Direct costs - Staff	-	-	-	1
	-	5	5	5

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

8. DIRECT COSTS

	Basis of Allocation	Educational Operations £000	Total 2013 £000	Total 2012 £000
Educational Supplies	Direct	4	4	3
Staff Development	% of staff time	8	8	2
Educational Consultancy	Direct	3	3	27
Other Direct Costs	% of staff time	57	57	48
Maintenance of Premises & Equipment	% of use	56	56	10
Cleaning	% of use	3	3	1
Rent & Rates	% of use	1	1	(4)
Insurance	% of use	10	10	12
Security & Transport	Direct	2	2	-
Catering	% of use	4	4	3
Other Support Costs	% of use	8	8	-
Wages and salaries	Direct	402	402	267
National insurance	Direct	23	23	17
Pension cost	Direct	52	52	37
Depreciation	Direct	10	10	9
		643	643	432

9. SUPPORT COSTS

	Basis of Allocation	Educational Operations £000	Total 2013 £000	Total 2012 £000
Pension net finance income	Direct	-	-	4
Other Direct Costs	% of use	13	13	3
Recruitment & Support	% of use	2	2	-
Other Support Costs	Direct	3	3	-
Wages and salaries	Direct	25	25	17
National insurance	Direct	2	2	1
Pension cost	Direct	6	6	2
		51	51	27

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	Total 2012 £000
	-	-	-	-	8
Costs of generating funds	-	-	-	-	8
Educational Operations	477	10	156	643	413
Support costs - Educational Operations	33	-	18	51	27
Charitable activities	510	10	174	694	440
Governance	-	-	5	5	16
	510	10	179	699	464

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £000	Support costs 2013 £000	Total 2013 £000	Total 2012 £000
Educational Operations	643	51	694	440

12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Depreciation of tangible fixed assets - owned by the charity	10	9
Auditors' remuneration	4	4
Operating leases	2	2

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

13. STAFF COSTS

Staff costs were as follows

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Wages and salaries	427	284
Social security costs	25	18
Other pension costs (Note 26)	58	38
	<u>510</u>	<u>340</u>
Supply teacher costs	-	8
	<u>510</u>	<u>348</u>

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

	12 months ended 31 August 2013 No.	10 months ended 31 August 2012 No.
Teachers	8	6
Administrative and support	7	6
Management	2	2
	<u>17</u>	<u>14</u>

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

	12 months ended 31 August 2013 No.	10 months ended 31 August 2012 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

8 (2012 - 8) of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £32,678 (2012 - £27,005). 13 (2012 - 9) other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £23,030 (2012 - £14,972).

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

14. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 2 Governors (2012 - 2) in respect of defined benefit pension schemes

The Head and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head 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 fell within the following bands

	12 months ended 31 August 2013 £000	<i>10 months ended 31 August 2012 £000</i>
Matthew Land, Headteacher	60-65	<i>50-55</i>
Sarah Smith, Staff Governor	40-45	<i>35-40</i>

During the year, one Governors received reimbursement of expenses (2012 - £NIL)

15. 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 year ended 31 August 2013 was £250 (2012 - £265)

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

16. OTHER FINANCE INCOME

	12 months ended 31 August 2013 £000	<i>10 months ended 31 August 2012 £000</i>
Expected return on pension scheme assets	2	<i>-</i>
Interest on pension scheme liabilities	(5)	<i>(4)</i>
	<u>(3)</u>	<i><u>(4)</u></i>

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

17. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012	694	-	3	697
Additions	22	25	-	47
At 31 August 2013	<u>716</u>	<u>25</u>	<u>3</u>	<u>744</u>
Depreciation				
At 1 September 2012	8	-	-	8
Charge for the year	8	-	2	10
At 31 August 2013	<u>16</u>	<u>-</u>	<u>2</u>	<u>18</u>
Net book value				
At 31 August 2013	<u>700</u>	<u>25</u>	<u>1</u>	<u>726</u>
At 31 August 2012	<u>686</u>	<u>-</u>	<u>3</u>	<u>689</u>

Included in land and buildings is land at valuation of 288,507 (2012 - £288,057), which is not depreciated

18. STOCKS

	2013 £000	2012 £000
Finished goods and goods for resale	<u>1</u>	<u>-</u>

19. DEBTORS

	2013 £000	2012 £000
Other debtors	6	6
Prepayments and accrued income	18	8
Grants Receivable	33	-
	<u>57</u>	<u>14</u>

BROCKHAMPTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

20. CREDITORS:

Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	9	16
Other taxation and social security	7	7
Other creditors	7	28
Accruals and deferred income	85	22
	<u>108</u>	<u>73</u>

Deferred income

Deferred income at 1 September 2012
Amounts released from previous years

Deferred income at 31 August 2013

£000

5

(5)

-

21. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	<u>73</u>	<u>52</u>	<u>(45)</u>	<u>(3)</u>	<u>-</u>	<u>77</u>
Restricted funds						
Restricted Funds - all funds	16	49	(68)	3	-	-
General Annual Grant (GAG)	3	531	(534)	-	-	-
Pension reserve	(92)	-	(5)	-	3	(94)
	<u>(73)</u>	<u>580</u>	<u>(607)</u>	<u>3</u>	<u>3</u>	<u>(94)</u>

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	31	74	(37)	(52)	-	16
Assets transferred	684	-	(10)	52	-	726
	<u>715</u>	<u>74</u>	<u>(47)</u>	<u>-</u>	<u>-</u>	<u>742</u>
Total restricted funds	642	654	(654)	3	3	648
Total of funds	<u>715</u>	<u>706</u>	<u>(699)</u>	<u>-</u>	<u>3</u>	<u>725</u>

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

The restricted general fund includes grants receivable from the 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 EFA and other grantors in respect of tangible fixed assets held for Academy use

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	73	52	(45)	(3)	-	77
Restricted funds	(73)	580	(607)	3	3	(94)
Restricted fixed asset funds	715	74	(47)	-	-	742
	<u>715</u>	<u>706</u>	<u>(699)</u>	<u>-</u>	<u>3</u>	<u>725</u>

BROCKHAMPTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Tangible fixed assets	-	-	726	726	688
Current assets	77	109	16	202	191
Creditors due within one year	-	(109)	-	(109)	(72)
Provisions for liabilities and charges	-	(94)	-	(94)	(92)
	<u>77</u>	<u>(94)</u>	<u>742</u>	<u>725</u>	<u>715</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Net incoming resources before revaluations	7	724
Cash transferred in	-	(49)
Assets transferred in	-	(694)
Depreciation of tangible fixed assets	10	-
Capital grants from DfE	(41)	(31)
Increase in stocks	(1)	-
Increase in debtors	(43)	(15)
Increase in creditors	34	73
FRS 17 adjustments	6	83
Net cash (outflow)/inflow from operations	<u>(28)</u>	<u>91</u>
	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(47)	(697)
Capital grants from DfE	41	31
Transfer from predecessor school	-	694
Net cash (outflow)/inflow capital expenditure	<u>(6)</u>	<u>28</u>

BROCKHAMPTON ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

24 ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand	177	(34)	-	143
Net funds	177	(34)	-	143

25. 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

A claim for unfair dismissal had been brought against the Academy in the previous year. The case has been dismissed by the Employment Tribunal.

26 PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Herefordshire 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £6,869 were payable to the scheme at 31 August 2013 (2012 - 6,878) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

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26. PENSION COMMITMENTS (continued)

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer 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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The

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26 PENSION COMMITMENTS (continued)

Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. Parliament have agreed, at the request of the Secretary of State of Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The total contribution made for the year ended 31 August 2013 was £27,000, of which employer's contributions totaled £20,000 and employees' contributions totaled £7,000. The agreed contribution rates for future years are 19.7% for employers and 5.6% for employees.

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26. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £000
Equities	7.00	43	7.00	15
Bonds	4.40	3	3.40	1
Property	5.70	-	6.00	-
Cash	0.50	2	0.50	-
Total market value of assets		<u>48</u>		<u>16</u>
Present value of scheme liabilities		<u>(142)</u>		<u>(108)</u>
(Deficit)/surplus in the scheme		<u><u>(94)</u></u>		<u><u>(92)</u></u>

The amounts recognised in the Balance Sheet are as follows

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Present value of funded obligations	(142)	(108)
Fair value of scheme assets	<u>48</u>	<u>16</u>
Net liability	<u><u>(94)</u></u>	<u><u>(92)</u></u>

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

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Current service cost	(22)	(11)
Interest on obligation	(5)	(4)
Expected return on scheme assets	<u>2</u>	<u>-</u>
Total	<u><u>(25)</u></u>	<u><u>(15)</u></u>
Actual return on scheme assets	<u><u>5</u></u>	<u><u>1</u></u>

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26. PENSION COMMITMENTS (continued)

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

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Opening defined benefit obligation	108	-
Current service cost	22	11
Interest cost	5	4
Contributions by scheme participants	7	4
Actuarial Losses	-	9
Liabilities assumed in a business combination	-	80
	<u>142</u>	<u>108</u>
Closing defined benefit obligation	<u>142</u>	<u>108</u>

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

	12 months ended 31 August 2013 £000	10 months ended 31 August 2012 £000
Opening fair value of scheme assets	16	-
Expected return on assets	2	-
Actuarial gains and (losses)	3	-
Contributions by employer	20	12
Contributions by employees	7	4
	<u>48</u>	<u>16</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £6,000 loss (2012 - £9,000 loss)

The Academy expects to contribute £22,000 to its Defined Benefit Pension Scheme in 2014

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

	2013	2012
Discount rate for scheme liabilities	4.80 %	4 70 %
Rate of increase in salaries	4.00 %	3 90 %
Rate of increase for pensions in payment / inflation	2.50 %	2 40 %
Inflation assumption (CPI)	2.50 %	2 40 %
Commutation of pensions to lump sums	50.00 %	50 00 %

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26 PENSION COMMITMENTS (continued)

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

	2013	2012
Retiring today		
Males	22.5	22.4
Females	25	24.9
Retiring in 20 years		
Males	24.3	24.2
Females	27	26.9

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £000	2012 £000
Defined benefit obligation	(142)	(108)
Scheme assets	48	16
Deficit	(94)	(92)
Experience adjustments on scheme liabilities	-	(9)
Experience adjustments on scheme assets	3	-

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

27. OPERATING LEASE COMMITMENTS

At 31 August 2013 the Academy had annual commitments under non-cancelable operating leases as follows

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Expiry date:				
Within 1 year	-	-	1	-
Between 2 and 5 years	-	-	-	1

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28. RELATED PARTY TRANSACTIONS

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

Matthew Land, the Accounting Officer received £47 in reimbursed expenses incurred on Academy business.