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**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

TUESDAY



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**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**BROCKHAMPTON ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Trustees**

Patricia Dowling, Parent Governor / new Chair of Governors  
Heather Ceney, Community Governor (resigned 30 July 2014)  
Stephen Dowling, ex Vice Chair of Governors / Parent Governor  
Benjamin Fox, Parent Governor / new Vice Chair of Governors (appointed 2 October 2013)  
David Hancock, ex Chair of Governors (resigned 31 July 2014)  
James Hawkins, LA Governor (resigned 30 September 2013)  
Matthew Land, Headteacher  
Dominika Lipska, Parent Governor (appointed 2 October 2013)  
Alan McLaren, Staff Governor (appointed 1 January 2014)  
Basil Omar, Parent Governor (appointed 14 July 2014)  
Sue Podmore, Staff Governor (appointed 2 October 2013)  
Stuart Sewell, Community Governor (resigned 14 May 2014)

**Company registered number**

07817746

**Principal and registered office**

Bringsty  
Worcester  
Worcestershire  
WR6 5TD

**Company secretary**

Trevor Jones

**Headteacher**

Matthew Land

**Senior management team**

Matthew Land, Headteacher  
Joanne Bailey, Business Manager

**Independent auditors**

Randall & Payne LLP  
Chargrove House  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA



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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Administrative details (continued)**

**Bankers**

Lloyds Bank Plc  
9 Corn Square  
Leominster  
Herefordshire  
HR6 8LT

**Solicitors**

Schofield Sweeney  
Springfield House  
76 Wellington Street  
Leeds  
LS1 2AY



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**BROCKHAMPTON ACADEMY TRUST**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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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 2014. 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 Chair 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**

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. 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.

**e. ORGANISATIONAL STRUCTURE**

The Board of Governors meets formally six times per year. Discussions are held and decisions are made or ratified as appropriate. The day to day running of the Academy is delegated to the senior management team who report back to the Board of Directors as appropriate.



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**BROCKHAMPTON ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**f. 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 Directors' meetings through the pecuniary interests forms, and the financial transactions are disclosed in the notes to the accounts.

**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.

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The financial year coincided with that part of the school year when most of the planning for school year 2014/15 was carried out and the first phase of work to achieve the targets laid out in the Strategic School Development Plan was in progress. We are enhancing the roles of the Senior Leadership Team in recognition of the changing needs of the school. This has involved appointing a Deputy Head and developing this new position in the school. The immediate responsibility is to work with the Head Teacher to move the school back to at least a 'good' OFSTED judgement.

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



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**BROCKHAMPTON ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

The Directors have put in place and are monitoring a clear strategic plan for developing the school's performance that looks in detail at implementing the steps required to push through a 'good' OFSTED rating and move on to 'outstanding'.

The role of the Deputy Head has been reintroduced at Brockhampton from 01/01/14 and is being used to improve teaching across the school.

The school's external facilities continue to be developed and during this financial year the Academy invested in improved outside covered areas for the youngest children.

**d. PUBLIC BENEFIT**

In setting the objectives, the Directors 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 Directors 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.

**b. KEY FINANCIAL PERFORMANCE INDICATORS**

This academic year, Brockhampton seeks to:

- maintain an 80% staff cost ratio;
- raise pupil numbers by 5%;
- investigate Multi Academy Trust Status with local high performing schools;
- increase our academic performance in writing from 77% achieving Level4 at the end of year 6 to 80%;
- improve pupil outcomes for all groups of children;
- enable 100% of our pupils to achieve 'good' progress and 30% to achieve 'exceeding'

**c. INVESTMENT POLICY AND PERFORMANCE**

The Business Manager ensures that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Financial review**

**a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The accounting period runs from the 1st September 2013 to 31st August 2014. The majority of the Academies income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

To support the conversion to 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.

The Academy has an ongoing risk management process. Overall responsibility for risk management rests with the Board of Governors. The Board of Governors 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.

**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 future periods**

**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 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.

Future plans also include investigating Multi Academy Trust Status with local high performing schools.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**DISCLOSURE OF INFORMATION TO AUDITORS**

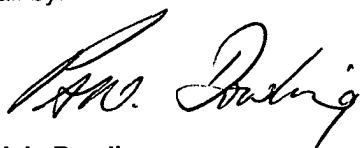
Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that each Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Governor's have 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 16 December 2014 and signed on the board's behalf by:



**Patricia Dowling**  
Chair of Trustees



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**BROCKHAMPTON ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**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 Headteacher, 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 11 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
Patricia Dowling, Parent Governor / new Chair of Governors	11	11
Heather Ceney, Community Governor	5	9
Stephen Dowling, ex Vice Chair of Governors / Parent Governor	10	10
Benjamin Fox, Parent Governor / new Vice Chair of Governors	7	10
David Hancock, ex Chair of Governors	9	11
James Hawkins, LA Governor	0	0
Matthew Land, Headteacher	11	11
Dominika Lipńska, Parent Governor	7	10
Alan McLaren, Staff Governor	1	1
Basil Omar, Parent Governor	8	11
Sue Podmore, Staff Governor	10	11
Stuart Sewell, Community Governor	7	10

The tables reflect those Governors who resigned during the year.

**Governance reviews:**

In September 2013 the governing body conducted an extensive skills audit in line with guidance from the National Governors Association. This demonstrated that the Governance of Brockhampton has many strengths within the essential skills section and only a few areas of weakness within the desirable section. This document is referred to as part of the governor recruitment programme where applicants' skills and suitability are matched in order to ensure that Brockhampton maintains its high standards. This review is repeated as required.

Our most recent Ofsted inspection noted:

'Governors are ambitious for the school and keen to support and challenge. They understand their roles and responsibilities well. They are aware of how to identify their own strengths and how to tackle weaknesses. Governors have recently conducted a review of their own performance. They have identified areas they need to improve and are acting on the recommendations. This included an audit of their individual and collective skills and a reorganisation of their work so that they have a greater involvement in school life. They know the school well through their own checks and regular visits and so are in a strong position to challenge and ask searching questions.' (Ofsted January 2014)



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**GOVERNANCE STATEMENT (continued)**

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The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor and review the financial policy statements 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
Stephen Dowling, ex Vice Chair of Governors / Parent Governor	5	5
Benjamin Fox, Parent Governor / new Vice Chair of Governors	2	3
David Hancock, ex Chair of Governors	4	5
Matthew Land, Headteacher	5	5
Sue Podmore, Staff Governor	5	5
Stuart Sewell, Community Governor	1	2

**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 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 year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Academy'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.

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 Trevor Jones as their Responsible Officer (RO).



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**GOVERNANCE STATEMENT (continued)**

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The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a half termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The appointment of a Responsible Officer helps the school to bring to the attention of the Directors financial and administrative issues that may need timely consideration. The Responsible Officer meets with the school on a half termly basis. There is a formal report that is issued to the Directors on each occasion and the potential risks are identified. The Responsible Officer occasionally attends the Finance subcommittee meetings to offer clarity and further understanding to the issues at hand. The Responsible Officer is a formally qualified chartered management account.

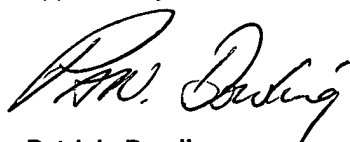
**REVIEW OF EFFECTIVENESS**

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:

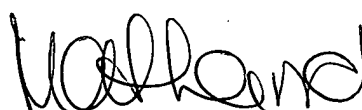
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 16 December 2014 and signed on its behalf, by:



**Patricia Dowling**  
**Chair of Trustees**



**Matthew Land**  
**Accounting Officer**



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**BROCKHAMPTON ACADEMY TRUST**  
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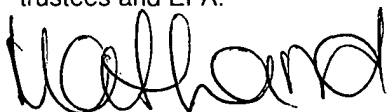
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 (2013).

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 (2013).

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



**Matthew Land**  
**Accounting Officer**

Date: 16 December 2014



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**BROCKHAMPTON ACADEMY TRUST**  
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**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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The Trustees (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:

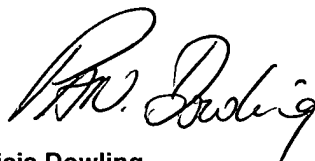
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 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 16 December 2014 and signed on its behalf by:



**Patricia Dowling**  
**Chair of Trustees**



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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BROCKHAMPTON  
ACADEMY TRUST**

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We have audited the financial statements of Brockhampton Academy Trust for the year ended 31 August 2014 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 to 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 to 2014 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.



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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BROCKHAMPTON  
ACADEMY TRUST**

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**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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Robert Stokes FCCA (Senior Statutory Auditor)

for and on behalf of

**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 17 December 2014



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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
BROCKHAMPTON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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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 to 2014, 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 2013 to 31 August 2014 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 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 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 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 extant from 1 September 2013, 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 to 2014. 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 2013 to 31 August 2014 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 to 2014 issued by 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.



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**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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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;
- 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 2013 to 31 August 2014 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**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 17 December 2014



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	3	2	-	-	2	1
Activities for generating funds	4	27	109	-	136	85
Investment income	5	1	-	-	1	-
Incoming resources from charitable activities	6	-	587	29	616	619
<b>TOTAL INCOMING RESOURCES</b>		<b>30</b>	<b>696</b>	<b>29</b>	<b>755</b>	<b>705</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		18	692	16	726	694
Governance costs	8	-	9	-	9	5
<b>TOTAL RESOURCES EXPENDED</b>	11	<b>18</b>	<b>701</b>	<b>16</b>	<b>735</b>	<b>699</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>12</b>	<b>(5)</b>	<b>13</b>	<b>20</b>	<b>6</b>



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
	Note					
Transfers between Funds	22	(3)	17	(14)	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>9</b>	<b>12</b>	<b>(1)</b>	<b>20</b>	<b>6</b>
Actuarial gains and losses on defined benefit pension schemes		-	(35)	-	(35)	3
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>9</b>	<b>(23)</b>	<b>(1)</b>	<b>(15)</b>	<b>9</b>
<i>Total funds at 1 September 2013</i>		<i>77</i>	<i>(94)</i>	<i>742</i>	<i>725</i>	<i>716</i>
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		<b>86</b>	<b>(117)</b>	<b>741</b>	<b>710</b>	<b>725</b>

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 39 form part of these financial statements.

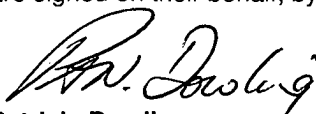


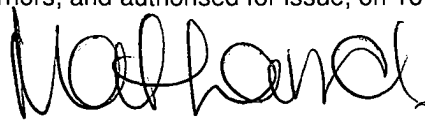
**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07817746**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£000	2014 £000	2013 £000
<b>FIXED ASSETS</b>				
Tangible assets	18		719	727
<b>CURRENT ASSETS</b>				
Stocks	19	3		1
Debtors	20	42		57
Cash at bank		160		143
		<u>205</u>		<u>201</u>
<b>CREDITORS:</b> amounts falling due within one year	21	(78)		(109)
<b>NET CURRENT ASSETS</b>			<u>127</u>	<u>92</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>846</u>	<u>819</u>
Defined benefit pension scheme liability	28		(136)	(94)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>710</u>	<u>725</u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted funds:				
Restricted funds	22	19		-
Restricted fixed asset funds	22	741		742
		<u>760</u>		<u>742</u>
Restricted funds excluding pension liability				742
Pension reserve		(136)		(94)
				<u>648</u>
Total restricted funds			624	648
Unrestricted funds	22		86	77
<b>TOTAL FUNDS</b>			<u>710</u>	<u>725</u>

The financial statements were approved by the Governors, and authorised for issue, on 16 December 2014 and are signed on their behalf, by:

  
**Patricia Dowling**  
**Chair of Trustees**

  
**Matthew Land**  
**Accounting Officer**

The notes on pages 21 to 39 form part of these financial statements.



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**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

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	Note	2014 £000	2013 £000
Net cash flow from operating activities	24	(3)	(28)
Capital expenditure and financial investment	25	20	(6)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<u>17</u>	<u>(34)</u>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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	2014 £000	2013 £000
Increase/(Decrease) in cash in the year	<u>17</u>	<u>(34)</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<u>17</u>	<u>(34)</u>
Net funds at 1 September 2013	<u>143</u>	<u>177</u>
<b>NET FUNDS AT 31 AUGUST 2014</b>	<u><u>160</u></u>	<u><u>143</u></u>

The notes on pages 21 to 39 form part of these financial statements.



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**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 to 2014 issued by 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 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 Education Funding Agency.

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

**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.

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.



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**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

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.

**1.4 Resources expended**

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.

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	-	2% straight line
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	33% straight line



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**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 28, 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 2014 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 2014.



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**3. VOLUNTARY INCOME**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Donations	2	-	2	1
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Book & Breakfast Club	5	-	5	4
Uniforms & Milk	3	-	3	4
Insurance Proceeds	-	47	47	-
Pre School Income	-	61	61	62
Miscellaneous	19	1	20	15
	<u>27</u>	<u>109</u>	<u>136</u>	<u>85</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Interest received	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	545	545	531
Other DfE/YPLA/EFA Grants	-	9	9	5
Local Authority Grants	-	30	30	7
Special Educational Projects	-	3	3	2
Devolved Formula Capital	-	29	29	74
	<u>-</u>	<u>616</u>	<u>616</u>	<u>619</u>



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Educational Operations	18	708	726	694

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2014 £000	Depreciation 2014 £000	Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Educational Operations	512	16	197	725	694

**8. GOVERNANCE COSTS**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Governance Internal audit costs	-	1	1	-
Governance Auditors' remuneration	-	5	5	4
Governance Auditors' non audit costs	-	3	3	1
	-	9	9	5



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**9. DIRECT COSTS**

	<b>Educational Operations £000</b>	<b>Total 2014 £000</b>	<i>Total 2013 £000</i>
Educational Supplies	9	9	4
Staff Development	4	4	8
Educational Consultancy	5	5	3
Other Direct Costs	67	67	58
Maintenance of Premises & Equipment	64	64	56
Cleaning	5	5	3
Rent & Rates	2	2	1
Insurance	16	16	10
Security & Transport	1	1	2
Catering	4	4	4
Other Support Costs	6	6	8
Wages and salaries	392	392	402
National insurance	21	21	23
Pension cost	55	55	52
Depreciation	16	16	10
	<b>667</b>	<b>667</b>	<b>644</b>

**10. SUPPORT COSTS**

	<b>Educational Operations £000</b>	<b>Total 2014 £000</b>	<i>Total 2013 £000</i>
Pension net finance income	3	3	-
Other Direct Costs	11	11	13
Recruitment & Support	-	-	2
Other Support Costs	-	-	3
Wages and salaries	10	10	3
National insurance	2	2	2
Pension cost	32	32	28
	<b>58</b>	<b>58</b>	<b>51</b>
Subtotal	<b>58</b>	<b>58</b>	<b>51</b>
Other support costs	1	1	-
	<b>59</b>	<b>59</b>	<b>51</b>



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**11. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£000	£000	£000	£000
Educational Operations	468	199	667	643
Support costs - Educational Operations	44	14	58	51
<b>Charitable activities</b>	<b>512</b>	<b>213</b>	<b>725</b>	<b>694</b>
<b>Governance</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>5</b>
	<b>512</b>	<b>222</b>	<b>734</b>	<b>699</b>

**12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£000	£000	£000	£000
Educational Operations	667	59	726	694

**13. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the charity	16	10
Auditors' remuneration	5	4
Auditors' remuneration - non-audit	3	-
Governance Internal audit costs	1	-
Operating leases	1	2



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**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**14. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	402	405
Social security costs	22	25
Other pension costs (Note 28)	88	80
	<u>512</u>	<u>510</u>

**b. Staff numbers**

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

	2014 No.	2013 No.
Teachers	8	8
Administrative and support	6	7
Management	1	2
	<u>15</u>	<u>17</u>

**c. Higher paid staff**

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £7,533 (2013 - £7,459).



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**BROCKHAMPTON ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**15. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 2 Governors (2013 - 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:

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Matthew Land, Headteacher	<b>60-65</b>	<i>60-65</i>
Sarah Smith, Staff Governor		<i>40-45</i>
Alan McLaren, Staff Governor	<b>30-35</b>	
Sue Podmore, Staff Governor	<b>20-25</b>	

During the year, one Governors received any reimbursement of expenses to the value of £283 (2013 - £47).

**16. 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 2014 was £821.50 (2013 - £250). The cost of this insurance is included in the total insurance cost.

**17. OTHER FINANCE INCOME**

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Expected return on pension scheme assets	<b>4</b>	<i>2</i>
Interest on pension scheme liabilities	<b>(7)</b>	<i>(5)</i>
	<b>(3)</b>	<i>(3)</i>



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**18. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2013	716	25	4	745
Additions	-	-	8	8
At 31 August 2014	716	25	12	753
<b>Depreciation</b>				
At 1 September 2013	16	-	2	18
Charge for the year	9	4	3	16
At 31 August 2014	25	4	5	34
<b>Net book value</b>				
At 31 August 2014	691	21	7	719
At 31 August 2013	700	25	2	727

Included in land and buildings is land at valuation of £288,507 (2013 - £288,057), which is not depreciated.

**19. STOCKS**

	2014 £000	2013 £000
Finished goods and goods for resale	3	1

**20. DEBTORS**

	2014 £000	2013 £000
Other debtors	12	6
Prepayments and accrued income	20	18
Grants Receivable	10	33
	42	57



**BROCKHAMPTON ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**21. CREDITORS:**

**Amounts falling due within one year**

	2014 £000	2013 £000
Trade creditors	27	9
Other taxation and social security	7	7
Other creditors	6	7
Accruals and deferred income	38	86
	<u>78</u>	<u>109</u>
		<b>£000</b>
<b>Deferred income</b>		
Deferred income at 1 September 2013		5
Resources deferred during the year		18
Amounts released from previous years		(5)
		<u>18</u>
Deferred income at 31 August 2014		<u>18</u>

**22. STATEMENT OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted funds</b>						
General Funds - all funds	<u>77</u>	<u>30</u>	<u>(18)</u>	<u>(3)</u>	<u>-</u>	<u>86</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	545	(562)	17	-	-
Pre-School	-	61	(59)	-	-	2
Pupil Premium	-	30	(21)	-	-	9
SEN	-	3	(3)	-	-	-
PE & Sports Grant	-	9	(8)	-	-	1
Other	-	1	-	-	-	1
Insurance Proceeds	-	47	(41)	-	-	6
Pension reserve	(94)	-	(7)	-	(35)	(136)
	<u>(94)</u>	<u>696</u>	<u>(701)</u>	<u>17</u>	<u>(35)</u>	<u>(117)</u>



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**22. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	16	-	-	(16)	-	-
Assets transferred	726	7	(16)	2	-	719
ACMF	-	22	-	-	-	22
	<u>742</u>	<u>29</u>	<u>(16)</u>	<u>(14)</u>	<u>-</u>	<u>741</u>
Total restricted funds	<u>648</u>	<u>725</u>	<u>(717)</u>	<u>3</u>	<u>(35)</u>	<u>624</u>
Total of funds	<u>725</u>	<u>755</u>	<u>(735)</u>	<u>-</u>	<u>(35)</u>	<u>710</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 2014. Note 2 discloses whether the limit was exceeded.

**SUMMARY OF FUNDS**

	<b>Brought Forward £000</b>	<b>Incoming resources £000</b>	<b>Resources Expended £000</b>	<b>Transfers in/out £000</b>	<b>Gains/ (Losses) £000</b>	<b>Carried Forward £000</b>
General funds	77	30	(18)	(3)	-	86
Restricted funds	(94)	696	(701)	17	(35)	(117)
Restricted fixed asset funds	742	29	(16)	(14)	-	741
	<u>725</u>	<u>755</u>	<u>(735)</u>	<u>-</u>	<u>(35)</u>	<u>710</u>



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**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	719	719	726
Current assets	86	98	22	206	202
Creditors due within one year	-	(79)	-	(79)	(109)
Provisions for liabilities and charges	-	(136)	-	(136)	(94)
	<u>86</u>	<u>(117)</u>	<u>741</u>	<u>710</u>	<u>725</u>

**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £000	2013 £000
Net incoming resources before revaluations	20	6
Depreciation of tangible fixed assets	16	11
Capital grants from DfE	(29)	(41)
Increase in stocks	(2)	(1)
Decrease/(increase) in debtors	15	(43)
(Decrease)/increase in creditors	(29)	34
FRS 17 adjustments	6	6
<b>Net cash outflow from operations</b>	<u>(3)</u>	<u>(28)</u>

**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £000	2013 £000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(9)	(47)
Capital grants from DfE	29	41
<b>Net cash inflow/(outflow) capital expenditure</b>	<u>20</u>	<u>(6)</u>



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**26. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	143	17	-	160
<b>Net funds</b>	<b>143</b>	<b>17</b>	<b>-</b>	<b>160</b>

**27. 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..

**28. 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 2014.

Contributions amounting to £7,545 were payable to the scheme at 31 August 2014 (2013 - £6,869) 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.



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**28. PENSION COMMITMENTS (continued)**

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual 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**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.



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**28. PENSION COMMITMENTS (continued)**

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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. The total contribution made for the year ended 31 August 2014 was £28,463, of which employer's contributions totalled £21,179 and employees' contributions totalled £7,284. The agreed contribution rates for future years are 14.8% for employers and between 5.5% and 9.9% for employees.

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

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

	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £000</b>	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £000</b>
Equities	7.00	72	7.00	43
Bonds	3.80	5	4.40	3
Property	-	-	-	-
Cash/liquidity	0.50	1	0.50	2
Total market value of assets		<u>78</u>		<u>48</u>
Present value of scheme liabilities		<u>(214)</u>		<u>(142)</u>
Deficit in the scheme		<u><u>(136)</u></u>		<u><u>(94)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	<b>2014 £000</b>	<b>2013 £000</b>
Present value of funded obligations	(214)	(142)
Fair value of scheme assets	<u>78</u>	<u>48</u>
Net liability	<u><u>(136)</u></u>	<u><u>(94)</u></u>



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**28. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Current service cost	(25)	(22)
Interest on obligation	(7)	(5)
Expected return on scheme assets	4	2
	<u>          </u>	<u>          </u>
Total	(28)	(25)
	<u>          </u>	<u>          </u>
Actual return on scheme assets	5	5
	<u>          </u>	<u>          </u>

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

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Opening defined benefit obligation	142	108
Current service cost	25	22
Interest cost	7	5
Contributions by scheme participants	7	7
Actuarial Losses	33	-
	<u>          </u>	<u>          </u>
Closing defined benefit obligation	214	142
	<u>          </u>	<u>          </u>

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

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Opening fair value of scheme assets	48	16
Expected return on assets	4	2
Actuarial gains and (losses)	(2)	3
Contributions by employer	21	20
Contributions by employees	7	7
	<u>          </u>	<u>          </u>
	78	48
	<u>          </u>	<u>          </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £41,000 loss (2013 - £6,000 loss).

The Academy expects to contribute £25,000 to its Defined Benefit Pension Scheme in 2015.



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**28. PENSION COMMITMENTS (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2014</b>	<i>2013</i>
Equities	<b>90.20 %</b>	<i>92.30 %</i>
Other bonds	<b>6.00 %</b>	<i>6.50 %</i>
Cash/liquidity	<b>3.80 %</b>	<i>1.20 %</i>

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

	<b>2014</b>	<i>2013</i>
Discount rate for scheme liabilities	<b>4.00 %</b>	<i>4.80 %</i>
Rate of increase in salaries	<b>3.70 %</b>	<i>4.00 %</i>
Rate of increase for pensions in payment / inflation	<b>2.20 %</b>	<i>2.50 %</i>
Inflation assumption (CPI)	<b>2.20 %</b>	<i>2.50 %</i>
Commutation of pensions to lump sums	<b>50.00 %</b>	<i>50.00 %</i>

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

	<b>2014</b>	<i>2013</i>
Retiring today		
Males	<b>23.3</b>	<i>22.5</i>
Females	<b>25.7</b>	<i>25</i>
Retiring in 20 years		
Males	<b>25.5</b>	<i>24.3</i>
Females	<b>28</b>	<i>27</i>

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
Defined benefit obligation	<b>(214)</b>	<i>(142)</i>
Scheme assets	<b>78</b>	<i>48</i>
Deficit	<b>(136)</b>	<i>(94)</i>
Experience adjustments on scheme liabilities	<b>(33)</b>	<i>-</i>
Experience adjustments on scheme assets	<b>(2)</b>	<i>3</i>



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**29. OPERATING LEASE COMMITMENTS**

At 31 August 2014 the Academy had annual commitments under non-cancelable operating leases as follows:

	<b>2014</b>	<i>2013</i>
	<b>£000</b>	<i>£000</i>
<b>Expiry date:</b>		
Within 1 year	<u>1</u>	<u>1</u>

**30. 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 £280 in reimbursed expenses incurred on Academy business. Of this, £150 related to reimbursement of expenses as a staff member, and the remaining £130 related to reimbursements of expenses as part of his Governor role.