
BRANSTON JUNIOR ACADEMY
(A Company Limited by Guarantee)

Branston Junior Academy
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014

Company Registration Number:
08131708 (England and Wales)

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**DUNCAN
& TOPLIS**
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

BRANSTON JUNIOR ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|------------------------------------|---|
| Members: | Mr Alastair Plant Mr Simon Telfer |
| Trustees: | Mr A Plant Mrs S Cannings – resigned 31.08.14 Mr S Telfer Mr J Joyce – resigned 31.08.14 Mr Stuart Harris Mrs Barbara Cucksey Mr Steven Hennegan Mr Josh Lane Mrs Sandy Barron Mrs R Shaw Mr Matt Adams Mr David Manby Miss Ann Kisby Mrs Jan Whitehouse |
| Senior leadership team: | Mrs Rachael Shaw Mr David Manby |
| Registered Office | Branston Junior Academy Station Road Branston Lincoln LN4 1LH |
| Company Registration Number | 08131708 |
| Auditors | Duncan & Toplis Limited Chartered Accountants and Statutory Auditors 4 Henley Way Doddington Road Lincoln Lincolnshire LN6 3QR |
| Bankers | Barclays Bank PLC Tritton Road Lincoln |

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TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 7 to 11 serving a catchment area in Branston. It has a pupil capacity of 180 and had a roll of 144 in the school census in October 2014.

Structure, Governance and Management

Constitution

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

The Trustees act as the Trustees for the charitable activities of Branston Junior Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Branston Junior Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

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.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £1,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees nominated should as far as reasonably possible be from the community, parents at the school or elected staff representatives. All vacancies are advertised on the website or in the school newsletters. If ballots are required, nominees submit appropriate supporting text, ballot forms are sent out to each parent or carer with clear instruction, situation of ballot box

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and submission date for final count. Parents are elected for a four year period, as are three staff representatives.

All Trustees can nominate co-optees if and when a need is established by the full body. The following structure and procedures are implemented as presented in the Academy articles of association.

The Trustees may appoint as many Trustees as they deem appropriate with a minimum of 3 Trustees save that there shall be no more than three employees of the Academy Trust (excluding the head teacher) appointed as Trustees.

The Head Teacher shall be treated for all purposes as being an ex officio Trustee.

(i) Subject to Article 57, the parent Trustees shall be elected by parents of registered pupils at the Academy. A parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

(ii) The Body of Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of parent Trustees which is contested shall be held by secret ballot.

(iii) The arrangements made for the election of a parent Trustees shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

(iv) Where a vacancy for a parent Trustee is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

(v) The number of parent Trustees required shall be made up by parent Trustees appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

(vi) In appointing a parent Trustee the governing body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Trustees are subject to retirement or re-election at the end of their four year term of office unless the eligibility conditions listed above prevail.

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(i) The Trustees may appoint up to 5 co-opted Trustees. A 'co-opted Trustee' means a person who is appointed to by a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a co-opted Trustee if the number of Trustees who are employed by the Academy Trust would thereby exceed three (including the Head Teacher).

The Secretary of State may give a warning notice to the Trustees where he is satisfied:-

- i) that the standards of performance of pupils at the Academy are unacceptably low, or
- ii) that there has been a serious breakdown in the way the Academy is managed or governed, or
- iii) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purpose of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the office setting out:-

- a) the matters referred to in Article 60,
- b) the action which he requires the Trustees to take in order to remedy those matters, and
- c) the period within which that action is to be taken by the Trustees ('the compliance period').

The Secretary of State may also appoint such additional Trustees where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in the Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of foregoing the grade, the grade received by St John's Primary Academy shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such further Trustees as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any additional or further Trustees in accordance with Articles 62, 62A or 63, any Trustees appointed under Article 50 and holding office immediately preceding the appointment of such Trustees, shall resign immediately and the members' power to appoint Trustees under Article 50 shall remain suspended until the Secretary of State removes on or more of the additional or further Trustees.

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The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the head teacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

A new Trustee will attend a briefing with the Head Teacher and Chair of Trustees. The Trustee will be given a full tour of the Academy and such documents and policies as required.

Organisational Structure

The Members defined a separation of duties between the Members, Trustees, Head Teacher and senior leadership team in agreement with the Board of Trustees, on 18th September 2013.

The Members have full responsibility for the approval of all school policies.

The Board of Trustees determine, formulate and agree those policies and procedures delegated to them by Members.

The Head Teacher implements policy and the operational requirements of both the Board of Trustees and Governors on a "day to day" basis, as their employment officer.

The senior leadership team make day to day decisions on curriculum and pupil management, for their responsibility areas and delivery of teaching and learning under the leadership of the Head Teacher.

Connected Organisations including Related Party Relationships

At the present time the Academy does not have any connected organisations.

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Branston Junior Academy to provide education for pupils of different abilities between the ages of 7 and 11.

In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to The Academy, and that the curriculum should comply with the substance of the national curriculum.

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Objectives, Strategies and Activities

Attainment and Achievement

1. Increase the percentages of Y6 children achieving Level 5 in Reading, Writing, Maths or Science.
2. Raise expectations in children's skills, knowledge and understanding of Core Subjects, by amending APP sheets, (Maths, Reading, Writing and Science) in accordance with new National Curriculum levels of expectation.
3. Raise expectations in children's skills, knowledge and understanding of Core Subjects, by developing the Core curriculum in line with raised expectations from Government.
4. 'Narrow the gap' by creating and using effective 'Maths Intervention' and 'Reading Intervention' material.
5. Raise standards in writing, through the Erasmus+ Project.
6. Achieve Children's University (Lincolnshire) accreditation and begin to take an active role in providing relevant activities for pupils to participate in.
7. Investigate the logistics and benefits of re-achieving Sports Mark and carry out plans accordingly.
8. Raise the profile of 'the Arts' by continuing the process of re-accreditation of ArtsMark Gold.

Teaching and Learning

1. Develop staff skills, knowledge and understanding in the teaching of phonics and the teaching of reading.
2. Develop staff skills, knowledge and understanding in collecting evidence to show children's scientific progress.
3. Develop the use of 'the outside' as an effective learning environment; including continuing to develop the Peace Garden.
4. Develop staff skills, knowledge and understanding in the teaching and learning of Design Technology.
5. Purchase appropriate equipment for the teaching and learning of IT, according to the new curriculum.
6. Work collaboratively with the (newly formed) Aurum Schools Partnership, to provide a highly effective placement for a Teacher Training student (either PGCE or Schools Direct).

Behaviour and Safety

1. Develop children's cultural understanding of 'being British'.
2. Develop children's intercultural understanding through the Erasmus+ Project. (Sicily, Poland, Guadeloupe, UK)
3. Develop new 'local community links' – encouraging volunteers to be part of BJA.

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4. Develop a rolling programme of relevant Safeguarding training for all staff.

Leadership and Management

1. Examine current curriculum and assessment practices in line with Government guidelines and investigate potential alternatives to the current system of 'levels'.
2. Develop the Leadership skills, knowledge and understanding of the Head Teacher, by beginning to undertake a Master's Degree in Education.
3. Develop effective ways of spending Pupil Premium; particularly for those children who do not necessarily require additional academic support.
4. Subject Leaders to work collaboratively with those at other local schools, to explore 'what is outstanding teaching and learning?' in their respective subjects.
5. Equip the PE Subject Leader with the skills, knowledge and understanding of sports coaching and refereeing and the PE Premium budget.
6. Delegate the leadership of 'swimming' so that a more effective programme for the teaching and learning of swimming, can be created
7. Business Manager to explore funding opportunities.

OFSTED (June 2013)

Increase the proportion of teaching that is outstanding by:

- Extending opportunities for teachers to plan lessons jointly across classes so that all teachers can benefit from the very best practice.
- Ensuring that more lessons provide opportunities for pupils to learn through exciting and engaging activities.
- Providing more opportunities in lessons for pupils to find things out for themselves and to work independently.

OFSTED (June 2013)

Improve the progress that pupils make in Year 3 by:

- Making sure that the activities teachers plan, match precisely the next steps in learning for the youngest pupils in school.
- Developing a programme of learning that is appropriate for pupils when they move to the school in Year 3.

Public Benefit

In line with the requirement of the SORP, the Trustees can confirm they have had due regard to the definition of 'public benefit' and are proud to define them within the Academy context.

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This is a 'good' Academy; as graded by OFSTED in June 2013. It is one in which attainment is above average and all groups of pupils achieve well. Pupils enjoy coming to the Academy and benefit from an attractive, welcoming and supportive learning environment.

OFSTED's summary stated that:

- *Pupils achieve well and attainment at the end of Year 6 is above average. They make good progress, with the best progress being made between Y4 and Y6.*
- *Pupils do particularly well in English and this is reflected in rising results in national tests at the end of Y6.*
- *Teaching in all classes is good and some teaching is outstanding.*
- *Behaviour in lessons is always good. Pupils are confident, polite and courteous. They enjoy their lessons and are well prepared for the next stage of their education.*
- *Leadership and management are good, and leaders have brought about improvements to teaching and the progress that pupils make.*
- *The headteacher, governors and senior leaders have high expectations and set high standards. They are well supported by a staff team that understands what they want to achieve and shares in their determination to succeed.*
- *Exciting topics provide learning opportunities that engage and motivate pupils.*
- *Pupils' spiritual, moral, social and cultural development is a strength of the school.*

STRATEGIC REPORT

Achievements and Performance

We are proud of all the achievements of each and every one of our pupils and staff. In particular, we offer our congratulations for the following:

Sport:

The football and netball teams have competed in local leagues and sports festivals, playing against children from other schools. In recognition of the excellent range of sport and other physical activity available at the academy, it was awarded the Active Mark in 2009 and we are currently seeking new achievements to secure, as we believe the range of excellent sporting activities we offer is a success of the school.

Dance, Drama, Music and Filming:

Our Creative Arts activities have involved the children in a range of competitive and non-competitive events. Every year some of our pupils enter the Lincoln Music and Drama Festival as part of a band, a choir or a drama group; and we have several trophies and certificates to show how well we have done! We regularly hold concerts so that parents / carers can see just how talented we are! The quality of the Arts provision in the Academy has led to us being awarded the Arts Mark Gold in 2009 and again in 2012.

All children learn how to use animation software and every year we enter into the LAFTAs, (Lincolnshire School Films Award). In 2009, several films were nominated for the LAFTA's and in 2010, one of our films won an award for 'best in category' and 'best film overall'. In 2011 three of our films were nominated and two of them won awards! Our latest (2014) film entries have won a free visit to RAF Cosford, for the whole of our Year 6 cohort! Another of our 2014 entries has been nominated for an award at the 2015 LAFTAs.

Other Awards:

As a culmination of many activities and events over the years, the Academy has been awarded the Healthy Schools Award in 2009, the 'Food for Life' Bronze Award in 2011 and the Eco Schools Bronze Award in 2010.

Working with the Community:

The children love to support the community, be it locally - with school and community events; or nationally – by supporting national charities etc. Many activities take place within the school, to promote the children's awareness of the international community, of which they are a valuable member, and as such the school was awarded the Full International School's Award (Foundation Level) in 2011 and again in 2014. We are very proud of the superb international work that the children and staff of Branston Juniors gets involved in.

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The Trustees are pleased to present achievement and performance context and outcomes in all aspects of Academy provision.

Attendance for the year

| | |
|-----------------------|--------|
| Attendance | 96.69% |
| Authorised Absences | 3.2% |
| Unauthorised Absences | 0.9% |

Pupil Provision

Total pupils in the year to 31st August 2014 is 152

| Teacher | Year Group | Number in Year Group |
|--------------------------|------------|--------------------------|
| Mr Simpson | Y5/6 | Year 6: 44 Year 5: 37 |
| Miss Perkins | Y5/6 | |
| Mr Manby | Y5/6 | |
| Mrs Simpson / Mrs Norris | Y3/4 | Year 4: 34 Year 3: 37 |
| Miss Tysoe | Y3/4 | |
| Miss Kisby | Y3/4 | |

Academic results / SATs results for 2014

| Subject | Achievement | 2013-2014 |
|----------------|---------------------------|-----------|
| Maths | Level 4 or above | 95% |
| | Level 5 | 36% |
| | 2 or more levels progress | 95% |
| Reading | Level 4 or above | 91% |
| | Level 5 | 57% |
| | 2 or more levels progress | 91% |
| Writing | Level 4 or above | 84% |
| | Level 5 | 36% |

We were very pleased with all of our KS2 SATS results. The overall value added for the 2014 Year 6 cohort was:

| | |
|---------|----------|
| Reading | +15.6APS |
| Writing | +14.5APS |
| Maths | +13.2APS |
| Overall | +14.4APS |

| | |
|---------------------|-------------------------|
| Exclusions: | none recorded this year |
| Racist incidents: | none recorded this year |
| Bullying incidents: | none recorded this year |

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Key Performance Indicators

The Trustees look to minimise and ensure good value for money by competitive tendering and "best value" ordering processes. The funding allocated by the DfE through General Aggregated Grant or Local Authority CSE Grant is intended for expenditure in keeping with the school key objectives. We deliver education and beyond ensuring that performance is a non-profit organisation.

- The Ofsted status of the school is 'good' in all four areas: pupil achievement, quality of teaching, behaviour and safety, leadership and management.
- Pupil attendance is 96.69% - this is well above the national average;
- English writing and maths attainment at key stage two are in line with the national average.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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.

Mission Statement

"One building, one school, one voice, one vision"

Inspire: We inspire your child to enjoy and succeed throughout their learning journey.
Explore: We enable your child to meet exciting opportunities, be part of the shared adventure and have the confidence to try something new.
Nurture: We generate an environment where emotional support is essential, allowing your child to achieve their full potential.

"One foundation, one community, one journey, one goal ... Learning is a habit for Life!"

Financial Review

Financial report for the period

The majority of the Academy's income is from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31st August 2014 and the associated expenditure are shown in the statement of financial activities.

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At 31st August 2014, the net book value of fixed asset was £1,605,905. The assets were used exclusively for providing education and the associated services to the students of the Academy.

Financial position

The Academy held fund balances at 31st August 2014 of £1,538,165, comprising £89,299 of restricted funds, a pension reserve deficit of (£251,000), £56,552 of unrestricted general funds and £89,299 in a fixed asset fund.

Funds in deficit

The Academy's non-teaching staff is entitled to membership of the Local Government Pension Scheme. The Academy's share of the scheme assets is currently assessed to be less than its liabilities in the scheme and consequently the Academy's balance sheet shows a net liability of £251,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Reserves Policy

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Trustees discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure, approximately £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £56,552 which is less than is needed. The Academy intends to continue building up free reserves to the level needed. Trustees to review

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £89,299.

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Investment Policy

The Academy currently does not have any investments.

Principal Risks and Uncertainties

Risk Management

The following "risk areas" are identified by the Trustees as follows:-

Site health and safety

Fire safety

Disability access

Critical Incident Policy/Management Plan

Whistle blowing policy

Behaviour and Anti-bullying policy

Educational Visits Policy

Finance policy

Safeguarding and Child Protection policy

Staff handbook

First Aid

These areas of risk are regularly reviewed by all relevant staff, the senior management team, the Body of Trustees and by both the Standards Committee and Resources Committee. Any changes to risk policies must be approved by Trustees and signed off.

The Safeguarding and Child Protection Policy, and both the fire safety and first aid risks require full training certification.

The following finance policies and registers were adopted by the Academy this year. They are in place and available, and are reviewed annually.

Register of business interests register

Best value statement

Charging and remissions policy

Financial procedures

Whistle blowing policy

Five year finance model

School Development Plan

Statement of internal control

The Trustees ensure that the school completes a full five year plan and models future expenditure and pupil numbers. The Resources Committee meet 6 times during a financial

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year Budgets are set at a resources committee meeting and ratified by the full governing body annually. All finance meetings are fully documented and minutes sent to all Trustees. The Trust appointed the services of a Responsible Office from 31st October 2013 who reviews financial practice throughout the year and report directly to the trustees. A full external audit is carried out by Duncan & Toplis.

The principal financial risks to the Trust, comprises sudden change in expected pupil numbers (EFA GAG Income), cash and short term deposits, increase in bought back services, energy costs, reducing LACSEG payments, company failure debt and inappropriate behaviour outside agreed procedures.

The Trust does not use any funding streams for speculative purposes.

Risk Management

The Trust makes every reasonable effort to anticipate changes in the patterns of pupil numbers, making forward predictions from Year 3 upwards and Reception to Year 2 in conjunction with Branston Infant School.

Capital management/Liquidity risks

The Trust Resources Committee reviews the schools on-going liquidity risks annually as part of the planning process and on an ad hoc basis. The committee considers short-term requirements against available sources of funding taking into account forecast cash flow.

Monthly reconciliation of bank statements by the School Administrator ensures that liquidity risks are known and can be accepted.

The Trust has selected a current account with deposition account which offers 0.375% per annum return.

Credit Risk

Currently the Academy does not enter into credit agreements and the Head Teacher and Deputy Head Teacher hold a debit card for use with Barclays Bank. The photocopier is leased as are the two drinking water stations.

Debt risk

This is extremely low. When the debt is deemed irrecoverable, the allowance account is written off against the underlying receivable.

Other financial assets and Cash balances on site

The Trust may hold significant cash balances as part of its normal operations, with the amount of cash held at any point reflecting the level of cash flow generated by the Academy. Banking occurs when large intakes for visits, trips or collections; hot school meal orders and

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sale of school sweatshirts, rucksacks and water bottles have been received and insurance cover determines what balances may be securely held in the Academy.

Acute Energy Costs and poor weather

The Trust purchases oil via ESPO contracted supplier, the scale of their purchases ensures that they are the most competitive rates available and their environmental policies ensure that the sources are ethical. Cold winters have a considerable effect on the costs and as electricity costs have increased the Academy has used an agent to source the best tariff on a fixed term basis with effect from October 2013.

Capital assets

The building is well maintained and the Head Teacher and the Trustee responsible for Health & Safety inspects and reports regularly to the Trustees. The Caretaker reports directly to the Head Teacher on maintenance issues which in turn are reported termly to Trustees. The Academy purchases the Property Services buy back to support building maintenance. The Trust purchases the health and safety buy back package through Mouchel annually.

Theft, vandalism and fire

The Academy has comprehensive insurance against fire, vandalism and theft. Access control and well maintained fencing ensures the sites security to a good standard. The Academy contract Static Services to act as key holder and attend site after school hours if the alarm is triggered.

Plans for Future Periods

The Trustees will continue to monitor the Census with regards to potential pupil numbers and the effects on the budget accordingly.

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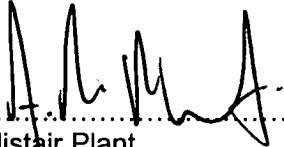
Auditor

Insofar as the Trustees are aware:

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

The auditors, Duncan & Toplis Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the members of the Governing Body on 17 December 2014 and signed on the board's behalf by:



.....
Mr Alistair Plant
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Branston Junior Academy 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 Body 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 Branston Junior School and the Secretary of State for Education. They are also responsible for reporting to the Body of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Body of Trustees has formally met six times in the year. Attendance during the year at meetings of the Body of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------------|-------------------|-------------------|
| Mr A Plant | 6 | 6 |
| Mrs S Cannings – resigned 31.08.14 | 4 | 6 |
| Mr S Telfer | 4 | 6 |
| Mr J Joyce – resigned 31.08.14 | 3 | 6 |
| Mr Stuart Harris | 3 | 6 |
| Mrs Barbara Cucksey | 5 | 6 |
| Mr Steven Hennegan | 3 | 6 |
| Mr Josh Lane | 2 | 6 |
| Mrs Sandy Barron | 4 | 6 |
| Mrs R Shaw | 6 | 6 |
| Mr Matt Adams | 4 | 6 |
| Mr David Manby | 5 | 6 |
| Miss Ann Kisby | 5 | 6 |
| Mrs Jan Whitehouse | 6 | 6 |

Mrs S Cannings resigned as a Member of the Academy with effect from 31st August 2014 and it is expected that her successor will be appointed at the next meeting of the Trustees in January 2014.

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The Resources Committee is a sub-committee of the main Body of Trustees. Its purpose is to meet to review expenditure throughout the financial year and sanction spending over £1,000.

Attendance at meetings in the year was as follows:

| | Meetings attended | Out of a possible |
|------------------|-------------------|-------------------|
| Trustee | | |
| Mr M Adams | 3 | 6 |
| Mr S Harris | 1 | 6 |
| Mr D Manby | 3 | 6 |
| Mr A Plant | 4 | 6 |
| Mrs R Shaw | 6 | 6 |
| Mr S Telfer | 6 | 6 |
| Mrs J Whitehouse | 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Branston Junior Academy for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Body of Trustees ensures that Trustees have sufficient experience or qualifications, or sufficient training, to fulfil their role. Reports at Full Governing Body meetings and committees are presented in advance, carefully scrutinised and questioned. A clear system of internal control is in place and this is reviewed.

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

BRANSTON JUNIOR ACADEMY
(A Company Limited by Guarantee)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- 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 Body of Trustees considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed Duncan & Toplis as responsible office (RO).

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's Body of Trustees Board on the operation of the systems of control and on the discharge of the Body of Trustees financial responsibilities.

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 auditor;
- the financial management and governance self – assessment process;
- the work of the executive managers within the Academy Trust who has 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 Committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the members of the Body of Trustees on 17 December 2014 and signed on its behalf by:


.....
Mr Alistair Plant
Chair of Trustees


.....
Mrs Rachel Shaw
Accounting Officer

BRANSTON JUNIOR ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Branston Junior Academy I have considered my responsibility to notify the Academy Trust Body 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mrs Rachel Shaw
Accounting Officer

17 December 2014

BRANSTON JUNIOR ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Trustees of Branston Junior Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the members of the Body of Trustees on 17 December 2014 and signed on its behalf by:


.....
Mr Alistair Plant
Chair of Trustees

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BRANSTON JUNIOR ACADEMY

We have audited the financial statements of Branston Junior Academy 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 TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BRANSTON JUNIOR ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Duncan & Toplis Ltd

Timothy Godson FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR
17 December 2014

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRANSTON JUNIOR ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 November 2014 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 Branston Junior Academy 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 Branston Junior Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston Junior Academy 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 Branston Junior Academy and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BRANSTON JUNIOR ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Branston Junior Academy's funding agreement with the Secretary of State for Education dated 4 July 2012, 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.

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.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

Duncan & Topliss Ltd

Timothy Godson FCA (Senior Statutory Auditor)

Duncan & Topliss Limited

Chartered Accountants and Statutory Auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

Date: *17 December 2014.*

BRANSTON JUNIOR ACADEMY
(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 2014

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | 45,580 | - | - | 45,580 | 19,019 |
| Transfer from predecessor school | | - | - | - | - | 1,537,828 |
| Activities for generating funds | 3 | 19,604 | 1,515 | - | 21,119 | 33,854 |
| Investment income | 4 | 362 | - | - | 362 | - |
| Incoming resources from charitable activities: | 5 | | | | | |
| Funding for the Academy's educational operations | | - | 677,325 | 5,721 | 683,046 | 830,841 |
| TOTAL INCOMING RESOURCES | | 65,546 | 678,840 | 5,721 | 750,107 | 2,421,542 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds: | | | | | | |
| Costs of generating voluntary income | 6 | 3,788 | - | - | 3,788 | 25,099 |
| Funding for the Academy's educational operations | | 33,036 | 679,740 | 32,741 | 745,517 | 750,853 |
| Governance costs | 8 | - | 18,732 | - | 18,732 | 28,495 |
| TOTAL RESOURCES EXPENDED | 11 | 36,824 | 698,472 | 32,741 | 768,037 | 804,447 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS | | 28,722 | (19,632) | (27,020) | (17,930) | 1,617,095 |

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Transfers between Funds | 22 | 159 | (19,497) | 19,338 | - | - |
| NET INCOME / (EXPENDITURE) FOR THE YEAR | | 28,881 | (39,129) | (7,682) | (17,930) | 1,617,095 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (64,000) | - | (64,000) | 3,000 |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 28,881 | (103,129) | (7,682) | (81,930) | 1,620,095 |
| <i>Total funds at 1 September 2013</i> | | <i>27,671</i> | <i>(58,572)</i> | <i>1,650,996</i> | <i>1,620,095</i> | <i>-</i> |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 56,552 | (161,701) | 1,643,314 | 1,538,165 | 1,620,095 |

All activities relate to continuing operations.

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

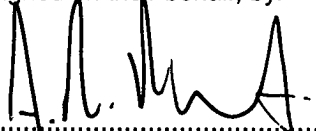
The notes on pages 31 to 54 form part of these financial statements.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08131708

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|---|------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 18 | | 1,605,905 | | 1,619,308 |
| CURRENT ASSETS | | | | | |
| Stocks | 19 | 558 | | 561 | |
| Debtors | 20 | 63,851 | | 47,947 | |
| Cash at bank and in hand | | 192,191 | | 158,638 | |
| | | <u>256,600</u> | | <u>207,146</u> | |
| CREDITORS: amounts falling due within one year | 21 | (73,340) | | (32,359) | |
| NET CURRENT ASSETS | | | <u>183,260</u> | | <u>174,787</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,789,165</u> | | <u>1,794,095</u> |
| Defined benefit pension scheme liability | 29 | | (251,000) | | (174,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u><u>1,538,165</u></u> | | <u><u>1,620,095</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 22 | 89,299 | | 115,428 | |
| Restricted fixed asset funds | 22 | 1,643,314 | | 1,650,996 | |
| Restricted funds excluding pension liability | | <u>1,732,613</u> | | <u>1,766,424</u> | |
| Pension reserve | | <u>(251,000)</u> | | <u>(174,000)</u> | |
| Total restricted funds | | | <u>1,481,613</u> | | <u>1,592,424</u> |
| Unrestricted funds | 22 | | <u>56,552</u> | | <u>27,671</u> |
| TOTAL FUNDS | | | <u><u>1,538,165</u></u> | | <u><u>1,620,095</u></u> |

The financial statements were approved by the Trustees, and authorised for issue, on 17 December 2014 and are signed on their behalf, by:



Mr Alastair Plant
Chair of Trustees

The notes on pages 31 to 54 form part of these financial statements.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

| | | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|--|------|--------------------------------------|--|
| | Note | | |
| Net cash flow from operating activities | 24 | 46,808 | 59,909 |
| Returns on investments and servicing of finance | 25 | 362 | - |
| Capital expenditure and financial investment | 25 | (13,617) | 21,901 |
| Cash transferred on conversion to an academy trust | | - | 76,828 |
| INCREASE IN CASH IN THE YEAR | | 33,553 | 158,638 |

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

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|--|--------------------------------------|--|
| Increase in cash in the year | 33,553 | 158,638 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 33,553 | 158,638 |
| Net funds at 1 September 2013 | 158,638 | - |
| NET FUNDS AT 31 AUGUST 2014 | 192,191 | 158,638 |

The notes on pages 31 to 54 form part of these financial statements.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

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 Trustees.

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 the Department for Education.

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

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

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.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees 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 Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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.

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

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:

| | | |
|------------------------------|---|-------------------|
| Long term Leasehold Property | - | 2% straight line |
| Fixtures and fittings | - | 25% straight line |
| Computer equipment | - | 33% straight line |

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 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.

1.9 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.

1.10 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 29, 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.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 Realignment of comparatives

Following revisions to the EFA Accounts Direction, certain expenses in 2013/14 have been classified on a difference basis to 2012/13. Where such differences arise, comparatives have been realigned to accord with 2013/14 classifications.

2. VOLUNTARY INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 30,231 | - | 30,231 | 8,521 |
| School fund | 15,349 | - | 15,349 | 10,498 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Voluntary income | 45,580 | - | 45,580 | 19,019 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings income | 508 | - | 508 | 571 |
| Catering income | 15,467 | - | 15,467 | 14,796 |
| Receipts from staff insurance claims | - | 1,515 | 1,515 | 14,432 |
| Other income | 3,629 | - | 3,629 | 4,055 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 19,604 | 1,515 | 21,119 | 33,854 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

4. INVESTMENT INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank account interest | 362 | - | 362 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Funding for the Academy's educational operations | - | 683,046 | 683,046 | 830,841 |

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA grants | | | | |
| General Annual Grant (GAG) | - | 615,404 | 615,404 | 728,384 |
| Start Up Grant | - | - | - | 25,000 |
| Pupil Premium | - | 37,360 | 37,360 | 15,935 |
| Other DfE/EFA Revenue grants | - | 8,765 | 8,765 | - |
| Devolved Formula Capital grant | - | 5,721 | 5,721 | 5,856 |
| | - | 667,250 | 667,250 | 775,175 |
| Other government grants | | | | |
| SEN 1-1 Funding | - | 15,796 | 15,796 | 23,670 |
| Other Local Authority revenue grants | - | - | - | 16,650 |
| Local Authority capital grants | - | - | - | 15,346 |
| | - | 15,796 | 15,796 | 55,666 |
| | - | 683,046 | 683,046 | 830,841 |

6. COSTS OF GENERATING VOLUNTARY INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Fundraising costs | 1,555 | - | 1,555 | - |
| Other expenses | 2,233 | - | 2,233 | 25,099 |
| | 3,788 | - | 3,788 | 25,099 |

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

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Funding for the Academy's educational operations | 33,036 | 712,481 | 745,517 | 750,853 |

SUMMARY BY EXPENDITURE TYPE

| | Staff costs 2014 £ | Depreciation 2014 £ | Other costs 2014 £ | Total 2014 £ | Total 2013 £ |
|--|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Funding for the Academy's educational operations | 535,975 | 32,741 | 176,801 | 745,517 | 750,853 |

8. GOVERNANCE COSTS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Auditors' remuneration | - | 4,900 | 4,900 | 4,900 |
| Auditors' non audit costs | - | 3,440 | 3,440 | 3,200 |
| Legal and professional fees | - | 1,247 | 1,247 | 14,281 |
| Personnel fees | - | 9,145 | 9,145 | 6,114 |
| | - | 18,732 | 18,732 | 28,495 |

9. DIRECT COSTS

| | Educational operations £ | Total 2014 £ | Total 2013 £ |
|-------------------------|--------------------------------|--------------------|--------------------|
| Educational supplies | 33,738 | 33,738 | 60,460 |
| Staff development | 8,570 | 8,570 | 1,063 |
| Educational consultancy | 32,218 | 32,218 | 5,834 |
| Wages and salaries | 373,778 | 373,778 | 396,535 |
| National insurance | 22,108 | 22,108 | 23,883 |
| Pension cost | 60,675 | 60,675 | 64,326 |
| Depreciation | 32,741 | 32,741 | 15,479 |
| | 563,828 | 563,828 | 567,580 |

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

10. SUPPORT COSTS

| | Educational operations £ | Total 2014 £ | Total 2013 £ |
|---------------------------------------|--------------------------------|--------------------|--------------------|
| Pension net actuarial finance cost | 5,000 | 5,000 | 6,000 |
| Technology costs | 461 | 461 | 8,440 |
| Maintenance of premises and equipment | 34,093 | 34,093 | 8,584 |
| Cleaning | 1,082 | 1,082 | 1,598 |
| Rent and rates | 4,381 | 4,381 | 4,510 |
| Energy costs | 8,230 | 8,230 | 11,750 |
| Insurance | 13,616 | 13,616 | 32,999 |
| Security | 365 | 365 | - |
| Transport | 1,431 | 1,431 | - |
| Telephone, postage and stationery | 6,345 | 6,345 | 1,549 |
| Catering | 16,989 | 16,989 | 13,222 |
| Other costs | 5,321 | 5,321 | 3,683 |
| Bank interest and charges | 47 | 47 | 307 |
| Operating leases - other | 4,914 | 4,914 | 3,328 |
| Wages and salaries | 62,120 | 62,120 | 68,899 |
| National insurance | 3,702 | 3,702 | 6,245 |
| Pension cost | 13,592 | 13,592 | 12,159 |
| | <u>181,689</u> | <u>181,689</u> | <u>183,273</u> |

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

11. RESOURCES EXPENDED

| | Staff costs | Non Pay | Expenditure | Total | Total |
|--|----------------|---------------|----------------|----------------|----------------|
| | 2014 | Premises | Other costs | 2014 | 2013 |
| | £ | 2014 | 2014 | £ | £ |
| | | £ | £ | | |
| Costs of generating voluntary income | - | - | 3,788 | 3,788 | 25,099 |
| Costs of generating funds | - | - | 3,788 | 3,788 | 25,099 |
| Funding for the Academy's educational operations | 456,561 | 28,400 | 78,867 | 563,828 | 567,580 |
| Support costs - Funding for the Academy's educational operations | 79,414 | 61,801 | 40,474 | 181,689 | 183,273 |
| Charitable activities | 535,975 | 90,201 | 119,341 | 745,517 | 750,853 |
| Governance | - | - | 18,732 | 18,732 | 28,495 |
| | 535,975 | 90,201 | 141,861 | 768,037 | 804,447 |

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

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2014 £ | Support costs 2014 £ | Total 2014 £ | Total 2013 £ |
|--|---|-------------------------------|--------------------|--------------------|
| Funding for the Academy's educational operations | 563,828 | 181,689 | 745,517 | 722,492 |

13. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|---|--------------------------------------|--|
| Depreciation of tangible fixed assets: | | |
| - owned by the Academy | 32,741 | 15,479 |
| Auditors' remuneration | 4,900 | 4,900 |
| Operating lease rentals: | | |
| - other operating leases | 4,914 | 3,328 |
| Auditors' remuneration - non audit fees | 3,440 | 3,200 |

14. STAFF

a. Staff costs

Staff costs were as follows:

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|-------------------------------|--------------------------------------|--|
| Wages and salaries | 432,739 | 459,298 |
| Social security costs | 25,810 | 30,128 |
| Other pension costs (Note 29) | 74,267 | 76,486 |
| | 532,816 | 565,912 |
| Supply teacher costs | 3,159 | 6,135 |
| | 535,975 | 572,047 |

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

14. STAFF (continued)

b. Staff numbers

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

| | Year ended 31 August 2014 No. | Period ended 31 August 2013 No. |
|----------------------------------|--|--|
| Teachers | 7 | 8 |
| Management | 1 | 1 |
| Administration and support staff | 7 | 7 |
| | <hr/> | <hr/> |
| | 15 | 16 |
| | <hr/> | <hr/> |

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

| | Year ended 31 August 2014 £'000 | Period ended 31 August 2013 £'000 |
|----------------------------------|--|--|
| Mrs R Shaw, Principal | 50-55 | 45-50 |
| Mr D Manby, Deputy Head | 35-40 | 35-40 |
| Miss A Kisby, Staff Governor | 25-30 | 25-30 |
| Mrs J Whitehouse, Staff Governor | 25-30 | 25-30 |

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year ended 31 August 2014, expenses totalling £79 (2013 - £NIL) were reimbursed to 1 Trustee (2013 - 0).

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees 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 £250 (2013 - £250). The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME LESS EXPENSE

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|--|--------------------------------------|--|
| Expected return on pension scheme assets | 10,000 | 6,000 |
| Interest on pension scheme liabilities | (15,000) | (12,000) |
| | <u>(5,000)</u> | <u>(6,000)</u> |

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

18. TANGIBLE FIXED ASSETS

| | Long Leasehold Property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|------------------------------------|-------------------------------|----------------------------|------------------|
| Cost | | | | |
| At 1 September 2013 | 1,625,000 | - | 9,787 | 1,634,787 |
| Additions | - | 16,758 | 2,580 | 19,338 |
| At 31 August 2014 | <u>1,625,000</u> | <u>16,758</u> | <u>12,367</u> | <u>1,654,125</u> |
| Depreciation | | | | |
| At 1 September 2013 | 14,200 | - | 1,279 | 15,479 |
| Charge for the year | 28,400 | 671 | 3,670 | 32,741 |
| At 31 August 2014 | <u>42,600</u> | <u>671</u> | <u>4,949</u> | <u>48,220</u> |
| Net book value | | | | |
| At 31 August 2014 | <u>1,582,400</u> | <u>16,087</u> | <u>7,418</u> | <u>1,605,905</u> |
| At 31 August 2013 | <u>1,610,800</u> | <u>-</u> | <u>8,508</u> | <u>1,619,308</u> |

All of the tangible fixed assets are used for educational purposes.

Included in land and buildings is leasehold land at valuation of £205,000 which is not depreciated.

19. STOCKS

| | 2014 £ | 2013 £ |
|-------------------------------------|------------|------------|
| Finished goods and goods for resale | <u>558</u> | <u>561</u> |

20. DEBTORS

| | 2014 £ | 2013 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 104 | - |
| Other debtors | 32,871 | 33,832 |
| Prepayments and accrued income | 21,343 | 14,115 |
| Grants Receivable | 9,533 | - |
| | <u>63,851</u> | <u>47,947</u> |

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

21. CREDITORS:

Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 30,149 | 7,948 |
| Other taxation and social security | 8,006 | 7,921 |
| Other creditors | 8,553 | 8,406 |
| Accruals and deferred income | 26,632 | 8,084 |
| | <u>73,340</u> | <u>32,359</u> |

There was no deferred income as at 31 August 2014.

22. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | | | | | | |
| School Fund | - | 26,103 | (5,521) | 159 | - | 20,741 |
| General funds | | | | | | |
| Other income not for capital purposes | 27,671 | 39,443 | (31,303) | - | - | 35,811 |
| Total Unrestricted funds | 27,671 | 65,546 | (36,824) | 159 | - | 56,552 |

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

22. STATEMENT OF FUNDS (continued)

Restricted funds

| | | | | | | |
|--------------------------------------|-----------------|----------------|------------------|-----------------|-----------------|------------------|
| General Annual Grant (GAG) | 83,726 | 615,404 | (635,668) | (25,013) | - | 38,449 |
| Start up Grant | 16,423 | - | (16,423) | - | - | - |
| Other DfE/EFA Grants | - | 46,125 | (7,690) | - | - | 38,435 |
| Government grants | - | 15,796 | (14,363) | - | - | 1,433 |
| Other Local Authority revenue grants | 15,120 | - | (4,138) | - | - | 10,982 |
| Other income | - | 1,515 | (7,190) | 5,675 | - | - |
| School fund reserve | 159 | - | - | (159) | - | - |
| Pension reserve | (174,000) | - | (13,000) | - | (64,000) | (251,000) |
| | <u>(58,572)</u> | <u>678,840</u> | <u>(698,472)</u> | <u>(19,497)</u> | <u>(64,000)</u> | <u>(161,701)</u> |

Restricted fixed asset funds

| | | | | | | |
|---------------------------------------|------------------|----------------|------------------|---------------|-----------------|------------------|
| DfE/EFA capital grants | 5,856 | 5,721 | - | - | - | 11,577 |
| Government capital grant | 15,346 | - | - | - | - | 15,346 |
| Capital expenditure from GAG | 8,508 | - | (4,341) | 19,338 | - | 23,505 |
| Capital expenditure from other income | 1,621,286 | - | (28,400) | - | - | 1,592,886 |
| | <u>1,650,996</u> | <u>5,721</u> | <u>(32,741)</u> | <u>19,338</u> | <u>-</u> | <u>1,643,314</u> |
| Total restricted funds | <u>1,592,424</u> | <u>684,561</u> | <u>(731,213)</u> | <u>(159)</u> | <u>(64,000)</u> | <u>1,481,613</u> |
| Total of funds | <u>1,620,095</u> | <u>750,107</u> | <u>(768,037)</u> | <u>-</u> | <u>(64,000)</u> | <u>1,538,165</u> |

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

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22. STATEMENT OF FUNDS (continued)

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £13,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £64,000 actuarial reduction in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Designated funds | - | 26,103 | (5,521) | 159 | - | 20,741 |
| General funds | 27,671 | 39,443 | (31,303) | - | - | 35,811 |
| | <u>27,671</u> | <u>65,546</u> | <u>(36,824)</u> | <u>159</u> | <u>-</u> | <u>56,552</u> |
| Restricted funds | (58,572) | 678,840 | (698,472) | (19,497) | (64,000) | (161,701) |
| Restricted fixed asset funds | 1,650,996 | 5,721 | (32,741) | 19,338 | - | 1,643,314 |
| | <u>1,620,095</u> | <u>750,107</u> | <u>(768,037)</u> | <u>-</u> | <u>(64,000)</u> | <u>1,538,165</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 1,605,905 | 1,605,905 | 1,619,308 |
| Current assets | 56,552 | 162,639 | 37,409 | 256,600 | 207,146 |
| Creditors due within one year | - | (73,340) | - | (73,340) | (32,359) |
| Provisions for liabilities and charges | - | (251,000) | - | (251,000) | (174,000) |
| | <u>56,552</u> | <u>(161,701)</u> | <u>1,643,314</u> | <u>1,538,165</u> | <u>1,620,095</u> |

24. NET CASH FLOW FROM OPERATING ACTIVITIES

| | Continuing £ | Discontinued £ | Year ended 31 August 2014 Total £ | Period ended 31 August 2013 £ |
|---|-----------------|-------------------|---|--|
| Net incoming resources before revaluations | (17,930) | - | (17,930) | 1,617,095 |
| Returns on investments and servicing of finance | (362) | - | (362) | - |
| Transfer on conversion | - | - | - | (1,537,828) |
| Depreciation of tangible fixed assets | 32,741 | - | 32,741 | 15,479 |
| Capital grants from DfE | (5,721) | - | (5,721) | (31,688) |
| Decrease/(increase) in stocks | 3 | - | 3 | (561) |
| Increase in debtors | (15,904) | - | (15,904) | (47,947) |
| Increase in creditors | 40,981 | - | 40,981 | 32,359 |
| FRS 17 adjustments | 13,000 | - | 13,000 | 13,000 |
| Net cash inflow from operations | | | <u>46,808</u> | <u>59,909</u> |

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

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|--|--------------------------------------|--|
| Returns on investments and servicing of finance | | |
| Interest received | <u>362</u> | <u>-</u> |

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25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|--|--------------------------------------|--|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (19,338) | (9,787) |
| Capital grants from DfE | 5,721 | 31,688 |
| Net cash (outflow)/inflow capital expenditure | (13,617) | 21,901 |

26. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2013 £ | Cash flow £ | Other non-cash changes £ | 31 August 2014 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 158,638 | 33,553 | - | 192,191 |
| Net funds | 158,638 | 33,553 | - | 192,191 |

27. MAJOR NON-CASH TRANSACTIONS

Included in note 24 to the cash flow is £1,625,000 in 2013 which relates to the gift of leasehold land and buildings from the Local Authority upon conversion to the Academy. This did not include the transfer of cash.

28. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the Secretary of State for Education 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 Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; 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.

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29. 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 Lincolnshire 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 £8,553 were payable to the scheme at 31 August 2014 (2013 - £8,406) 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.

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.

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29. PENSION COMMITMENTS (continued)

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.

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 £33,000, of which employer's contributions totalled £25,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are 19.9% for employers.

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.

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FOR THE YEAR ENDED 31 AUGUST 2014**

29. 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 2014 % | Fair value at 31 August 2014 £ | Expected return at 31 August 2013 % | Fair value at 31 August 2013 £ |
|-------------------------------------|--|---|--|---|
| Equities | 6.30 | 137,000 | 6.60 | 112,000 |
| Bonds | 3.60 | 23,000 | 4.30 | 18,000 |
| Property | 4.50 | 20,000 | 4.70 | 16,000 |
| Cash | 3.30 | - | 3.60 | - |
| Total market value of assets | | <u>180,000</u> | | <u>146,000</u> |
| Present value of scheme liabilities | | <u>(431,000)</u> | | <u>(320,000)</u> |
| (Deficit)/surplus in the scheme | | <u><u>(251,000)</u></u> | | <u><u>(174,000)</u></u> |

The amounts recognised in the Balance Sheet are as follows:

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|-------------------------------------|--|--|
| Present value of funded obligations | (431,000) | (320,000) |
| Fair value of scheme assets | <u>180,000</u> | <u>146,000</u> |
| Net liability | <u><u>(251,000)</u></u> | <u><u>(174,000)</u></u> |

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

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|----------------------------------|--|--|
| Current service cost | (33,000) | (35,000) |
| Interest on obligation | (15,000) | (12,000) |
| Expected return on scheme assets | <u>10,000</u> | <u>6,000</u> |
| Total | <u><u>(38,000)</u></u> | <u><u>(41,000)</u></u> |
| Actual return on scheme assets | <u><u>19,000</u></u> | <u><u>16,000</u></u> |

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29. PENSION COMMITMENTS (continued)

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

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|------------------------------------|--------------------------------------|--|
| Opening defined benefit obligation | 320,000 | 258,000 |
| Current service cost | 33,000 | 35,000 |
| Interest cost | 15,000 | 12,000 |
| Contributions by employees | 8,000 | 9,000 |
| Actuarial Losses | 63,000 | 6,000 |
| Benefits paid | (8,000) | - |
| | <u>431,000</u> | <u>320,000</u> |
| Closing defined benefit obligation | <u>431,000</u> | <u>320,000</u> |

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

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|-------------------------------------|--------------------------------------|--|
| Opening fair value of scheme assets | 146,000 | 94,000 |
| Expected return on assets | 10,000 | 6,000 |
| Actuarial gains and (losses) | (1,000) | 9,000 |
| Contributions by employer | 25,000 | 28,000 |
| Contributions by employees | 8,000 | 9,000 |
| Benefits paid | (8,000) | - |
| | <u>180,000</u> | <u>146,000</u> |
| | <u>180,000</u> | <u>146,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(61,000) (2013 - £3,000).

The Academy expects to contribute £25,000 to its defined benefit pension scheme in 2015.

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

| | 2014 | 2013 |
|----------|---------|---------|
| Equities | 76.00 % | 77.00 % |
| Bonds | 13.00 % | 12.00 % |
| Property | 11.00 % | 11.00 % |

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

| | 2014 | 2013 |
|--|--------|--------|
| Discount rate for scheme liabilities | 3.70 % | 4.60 % |
| Expected return on scheme assets at 31 August | 5.80 % | 6.10 % |
| Rate of increase in salaries | 3.90 % | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.60 % | 2.80 % |

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29. 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:

| | 2014 | 2013 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.2 | 21.2 |
| Females | 24.4 | 23.4 |
| Retiring in 20 years | | |
| Males | 24.5 | 23.7 |
| Females | 26.8 | 25.7 |

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| Defined benefit obligation | (431,000) | (320,000) |
| Scheme assets | 180,000 | 146,000 |
| Deficit | (251,000) | (174,000) |
| Experience adjustments on scheme liabilities | (63,000) | (6,000) |
| Experience adjustments on scheme assets | (1,000) | 9,000 |

Sensitivity Analysis

| | Approx. % increase to employer liability % | Approx. Monetary amount £ |
|--|--|------------------------------------|
| 0.5% decrease in Real Discount Rate | 10 | 44,000 |
| 1 year increase in member life expectancy | 3 | 13,000 |
| 0.5% increase in the Salary Increase Rate | 4 | 18,000 |
| 0.5% increase in the Pension Increase Rate | 6 | 25,000 |

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30. OPERATING LEASE COMMITMENTS

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

| | Land and buildings | | | Other |
|-----------------------|---------------------------|-------------|-------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Between 2 and 5 years | - | - | 6,499 | 3,280 |

31. 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 Trustee 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.

During the year the Academy did not enter into such transactions.

32. CONTROLLING PARTY

The Trustees have ultimate control of the Academy.

33. COMPARATIVE PERIOD

The comparative figures relate to the period 5 July 2012 to 31 August 2013. The Academy started trading on 1 August 2012.