

# Braunton School and Community College Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014

Registration number: 7989226



# **Braunton School and Community College Academy Trust**

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## **Braunton School and Community College Academy Trust**

### **Reference and Administrative Details**

#### **Members**

Mrs J Baxter  
Mr M Byrom  
Mr B Eason  
Mr C Reed  
Mr D Sharratt (resigned 23 July 2014)  
Mr M Cammack (appointed 23 July 2014)

#### **Governors and Trustees (Directors)**

Mrs J Baxter  
Ms P Beevers  
Mrs P Bodimeade  
Mr M Byrom, Chair of Trustees  
Mr A Cooper  
Ms C Davenport  
Mr B Eason  
Ms C Fisher  
Mr A Hale  
Mr B Harcourt (resigned 23 July 2014)  
Mr D Hartnoll  
Mr D Liversedge  
Mr C Reed  
Ms M Robinson  
Ms L Sedgwick  
Mr D Sharratt (resigned 23 July 2014)  
Mr N Tanton (appointed 3 July 2014)  
Mrs C Viqueira (appointed 3 July 2014)  
Mr M Cammack, Headteacher (appointed 23 July 2014)  
Mr M Juby (appointed 23 September 2013)

**Company Secretary** Ms F Johnson

#### **Senior Management Team**

Mr M Cammack, Headteacher  
Mr A Pearce, Deputy Head  
Mrs M Frost, Assistant Head  
Mr G Brock, Assistant Head  
Mrs S Piper, Finance Manager  
Mr D Ludley, Estate Manager  
Ms F Johnson, HR/Admin Systems Manager

## **Braunton School and Community College Academy Trust**

### **Reference and Administrative Details**

<b>Principal and Registered Office</b>	Mr M Cammack Barton Lane Braunton EX33 2BP
<b>Company Registration Number</b>	7989226
<b>Auditors</b>	Francis Clark LLP Statutory Auditor Vantage Point Woodwater Park Pynes Hill Exeter Devon EX2 5FD
<b>Bankers</b>	Lloyds TSB 8 Caen Street Braunton EX33 1AA
<b>Solicitors</b>	Foot Anstey LLP Senate Court Southernhay Gardens Exeter Devon EX1 1NT

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in North Devon. It has a pupil capacity of 750 and had a roll of 656 in the school census on 3rd October 2013.

#### **Structure, governance and management**

##### ***Constitution***

The Braunton School and Community College Academy Trust was opened as an Academy on 1st April 2012 – the current accounting period is the 1st September 2013 to 31st August 2014. It 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 Governors act as the Trustees for the charitable activities of Braunton School and Community College Academy Trust (which we abbreviate to Braunton Academy) and are also the directors of the Charitable Company for the purposes of company law.

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 company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

##### ***Trustees' indemnities***

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The indemnity is a limit of £5,000,000.

##### ***Method of recruitment and appointment or election of Directors***

The Academy's Governing Body comprises the Principal, 5 Parent Governors, up to 5 Staff Governors (providing that the total number of Governors, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Governors) and up to 9 Community Governors.

The Academy Trust shall have the following Governors as set out in its Articles of Association and funding agreement:

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

- up to 19 Governors in total (5 of whom are Trust members).
- up to 5 Parent Governors who are elected by Parents of registered pupils at the Academy.
- up to 5 staff Governors appointed by Staff of the Academy, one of which is the Principal.
- up to 9 Community Governors who are appointed by the Governing Body.

Governors are appointed for a four year period, except that this time limit does not apply to the Principal or Members of the Board of Trust. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Community Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. Staff and Parent Governors are recruited through an election process (see above).

#### ***Policies and procedures adopted for the induction and training of trustees***

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

1. All new governors are required to attend New Governor Training through LDP Governor Support.
2. All new governors are required to attend a full round of Committee and Full Governing Body meetings to familiarise themselves with the procedures of the Governing Body.
3. All new Governors receive a comprehensive Induction pack of past minutes and further appropriate information to enable them to become effective governors.

#### ***Organisational structure***

The Full Governing Body meets twice each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

From September 2014 both Resources and Teaching and Learning sub-committees of the Governing Body will run completely with Portfolio Groups.

There are two committees as follows:

- Resources – run completely with Portfolio Groups (Finance, Estate, Leadership & Management) who oversee Finance, the Estate, including security and health and safety matters and Staff resourcing. These Groups meet twice per term.
- Teaching and Learning Committee – run completely with Portfolio Groups (Student Progress, Student Behaviour/Safeguarding, Quality of Teaching). These Groups meet twice per term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and all pastoral issues.

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status of constitution of the Academy and its governing body committee/portfolio structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Company Secretary, to approve the capital expenditure plan, school improvement plan and budget.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal and Assistant Head teachers and includes the Estate Manager, Finance Manager and the H.R./Admin Systems Manager. The SLT implement the policies laid down by the Governors and report back to them on performance.

The Academy has a leadership structure which consists of the Governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Principal is the Accounting Officer.

#### ***Risk management***

The Academy has an effective system of financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

#### ***Connected organisations, including related party relationships***

The Academy has strong collaborative links with the five primary schools which form the Local Learning Community with funds through Devon Local Authority to support transition and other learning partnerships. One of the primary schools, Marwood School has become a training school and Braunton Academy will benefit from that additional status. Another primary school, Caen Community Primary School, was cited by Braunton Academy as a school that Braunton Academy was pledged to support following its emergence from special measures in 2011-12. The successful 2012 OFSTED for Caen Community Primary School praised Braunton Academy's supportive partnership.

In addition Braunton Academy has close informal partnerships with local Colleges, secondary schools, special schools and behavioural support units in the North Devon Area. This collective of schools is called North Devon Academic Board (NORDAB).

We have a very successful close formal partnership with The Ilfracombe Academy through a shared behavioural support hub as a result exclusions have reduced sharply and we have had no permanent exclusions since 2009. This is funded by Devon Local authority and subsidised by Braunton Academy and Ilfracombe Arts College.

None of these partnerships or collaborations can either control or significantly influence the decisions and operations of Braunton Academy Trust. There is a Parent Teacher Association called the Friends Association that raises funds for sole benefit of Braunton Academy.



## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### **Objectives and activities**

##### ***Objects and aims***

The principal object and activity of Braunton Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for students of different abilities in the 11-16 age range.

The principal object and activity of the Charitable Company is the operation of Braunton Academy to provide free education and care for pupils of different abilities between the ages of 11 and 16.

Braunton Academy's vision for all is clearly shared in the 2012-15 Academy Improvement Plan. It states 'By the time our students are ready to leave us, we want them all to reach their full academic potential and to be successful independent learners who can look forward to enjoy a fulfilling, prosperous and healthy life. In addition, we want, our young people to play an active part in making our world a more peaceful, equitable and sustainable place'.

Braunton Academy is committed to providing high quality, innovative learning experiences through an exciting and innovative curriculum.

Our motto for Braunton Academy is 'Success for all in our learning community'. We intend to enable each student to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which the young people can flourish supported by excellent well-trained staff and well informed and fully engaged parents.

The specific aims of Braunton Academy during the period ended 31 August 2014 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including a good range of extra curricular activities before and after core school time;
- to develop students as effective independent life-long learners;
- to continue to develop all of the staff so they can deliver the best learning experiences to our students in a safe and pleasant learning environment;
- to develop the Academy site, its resources and facilities, so that it enables students to achieve their full potential;
- to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to ensure best value for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory safeguarding, health and safety and curriculum requirements;
- to maintain close links with the local community and local business;
- to continue to develop strong reciprocal, national and international, school links;
- to develop the Academy's capacity to lead and manage change, and

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### ***Objectives, strategies and activities***

Detailed strategies for the year are contained in our Academy Improvement Plan 2012-15 which is available from the Academy website. Improvement focuses identified for this year included:

- Continued development of systems for tracking, monitoring pupil attainment and targeted intervention strategies to support underperforming students and pupil premium cohorts, including the introduction of 4Matrix.
- Development of the quality of teaching and learning through an innovative training program and paired lesson observations to share best practice with the wider staff.
- Developing our Academy status and planning for a new relationship with Devon LDP and embracing the market place of provision. Developing and embedding key financial and administrative procedures arising from conversion.
- Continuing to develop leadership capacity and quality at all levels in the organisation through engagement in externally provided programs, internships and coaching.
- Developing our whole school CPD, performance management and strategic leadership through the use of Blue Sky to secure our iIP Gold status (achieved in July 2014).
- Development of our outdoor learning environment to develop the breadth of the vocational curriculum through partnering with Bicton College and the Ilfracombe Academy
- Continuing the development of a series of school site improvement bids for submission in 2014-15 through TFQ Architects who are local experts with a strong track record.
- Develop independent learning by working with staff, parents and students to embed the homework policy and change the way home learning can be delivered and facilitated.
- Develop strategic governance through training, seeing best practice in other schools and the piloting of a portfolio model.
- Developing a sharper marketing strategy to maintain student numbers in an increasingly competitive climate.
- Increase income for additional activities by commissioning professional fund raisers.

#### ***Public benefit***

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Braunton Academy aims to advance for the public benefit, education in Braunton and the surrounding area. As an Academy we have a duty to support other schools. Our named school in the Academy status is Caen Street Primary School in Braunton. We support this school through advice and support from schools staff and the provision of outreach support work and the offer of the use of our specialist facilities to enhance the learning opportunities for Caen Street Primary School.

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

##### **Achievements and performance**

###### ***Exam results 2014 (August 2014 unvalidated)***

Entry profile for the outgoing Y11 at Key Stage 2 was aps 27.8, which is equivalent to the national average profile according to Ofsted Raise online 2014 unvalidated data. However, the headline figures were a significant increase from 2013.

5A*- C including English and Maths all students	60%
5A*- C	68%
5A* - G	98%
5A*/A	25%
1A*/A	49%
A*- C English	78%
2A*- C Science	71%

###### ***Other outcomes from Braunton Academy during 2013/2014***

- Awarded ACMF bid of £698,520 towards the building of a new Learning Centre.
- Installed Solar Panels with matched funding received from EDF.
- MOD Grant awarded to support Service Children.
- Sports England bid awarded for sports equipment and coaching.
- Successful appointment of a New Principal, to commence 1st September 2014.
- Braunton Academy achieved the Investors in People 'Gold' Award.
- Catering Department awarded 5 Star Hygiene Rating.
- With the re-accreditation for the International School Award, visits were made by the school to Saudi-Arabia, Martinique and Austria.
- Reciprocal visits with Braunton Academies Partner School Kingsley in Hounslow took place during the Academic Year.

###### ***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 Statement of Accounting Policies.

## Braunton School and Community College Academy Trust

### Directors' Report for the Year Ended 31 August 2014

#### Strategic Report

##### *Key Financial Performance indicators*

The main financial performance indicator is the level of reserves held at the Balance Sheet date, is in line with the Academy's Reserve Policy. The total funds held as at the 31st August 2014 was £7,591,933, of which £278,725 is unrestricted reserves, against a recommended free reserve balance of £250,000.

The General Annual Grant carry forward balance as at the 31st August 2014 was £103,611 which represented 3% of GAG income. The carried forward balance is in line with the Funding Agreement held with the EFA which restricts the carry forward to 12%.

As funding for the Academy is based on the number of pupils on roll, it is a key performance indicator. The Academy has seen a fall in the number of pupils from 707 in January 2012 to 656 as at October 2013. These numbers have stabilised and it is anticipated these numbers will continue to stabilise until 2015-16 when there is a known 'bulge' from the Academy's feeder school.

Another key financial performance indicator is GAG staffing costs as a percentage of GAG income. For the financial year 2013/14 this is 80%.

The following KPI's (Key performance indicators) were set at the start of the year:

	Target	Actual
GAG carry forward	n/a	104k
Total unrestricted funds balance	£250k	279k
Pupil to teacher ratio	17.7 to 1	16.93 to 1
Teaching to non-teaching staff ratio	1 to 1	1.04 to 1
Student Attendance	95%	93.69%
Total income per pupil	n/a	£6,853
Total GAG per pupil	n/a	£4,838
Staff costs per pupil	n/a	£4,288
Total learning resources costs per pupil	n/a	£398
LGPS deficit per pupil	n/a	£1,893
LGPS deficit per non-teaching staff members	n/a	£21,414
Cash balances at year end	n/a	721k
Net assets at the year end including pension liability.	n/a	7,592k

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

##### **Financial review**

During the year ended 31 August 2014, the income for the Academy was £4,495,784. The majority of the Academy's Incoming Resources was obtained from the DFE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy was successful in obtaining an ACMF (Academy Capital Maintenance Fund) for £698,520 from the EFA in respect to the building of the Learning Centre. Fixed Assets from the EFA is shown in the Statement of Financial Activities as Restricted Income in the Fixed Asset Fund. The Restricted Fixed asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

Braunton Academy were also successful in obtaining notable grants and donations from

- Ministry of Defence of £26,513 to support service pupils, in the provision of extra learner mentoring capacity, to maximise student progress to target and overall attainment; increased after school, weekend and holiday extra-curricular clubs and activities; and, more opportunities for Forces parents to feel engaged with other parents/ the local community.
- Sports England of £8,422 for equipment and coaching to deliver an extra-curricular dance and multi-sports programme.
- Perrigo of £8,000 towards the running of the schools STEM club.
- EDF of £19,000 towards the installation of Solar Panels.

During the year ended 31 August 2014, total expenditure amounted to £3,828,463, which was predominately covered by recurrent grant funding from the DFE, together with other incoming resources.

At 31st August 2014 the net book value of Fixed Assets was £7,678,249 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

The Land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on the 1st April 2012 at £7,150,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the Pension Scheme Liability in the Local Government Pension Scheme in respect of its support staff transferred at conversion. As at the 31st August 2014 the liability increased by £215,000 to £1,242,000.

During the Financial year ending 31st August 2014 the following financial policies were reviewed and updated:

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

- Finance Policy – which outlines the framework for financial management, including financial responsibilities of the Governing Body, Principal, Senior Leadership Team, Budget holders and other staff, as well as delegated authority spending.

- Staff Expense Policy - guidance to all staff claiming reimbursement of travel, subsistence or other expenses incurred in connection with Braunton Academy business, to ensure that individuals operate within governing body guidelines.

- Lettings Policy – sets out the procedures and processes for external organisations hiring the schools facilities.

The following policies were adopted:

- Credit Card Policy – set outs the schools procedures for those member of staff who have a named credit card.

- Debtor Management Policy - sets out Braunton Academies policy and procedures in relation to the billing, collection and recovery of monies owed to the school.

- Fraud & Anti-Corruption Policy - defines the expected conduct of all staff engaged at Braunton Academy, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption.

- Risk Register

- LGPS & Discretionary Policy – A Policy Statement in relation to the exercising of a number of Discretions under the LGPS.

#### ***Financial and risk management objectives and policies***

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere.

The freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. Also, the new national funding formula does not favour small secondary schools with lower levels of deprivation. We need to hold a high reserve to carry the Academy through the next two years. The intention is to minimise redundancies and allow natural wastage coupled with lower cost restructuring to take Braunton Academy forward.

The Governors Resource committee meets once a term and dedicated portfolio groups twice a term to examine the financial health of the Academy. They review performance against budgets and overall expenditure by means of regular update reports. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future.



## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

##### ***Reserves policy***

The Governors 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 Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be approximately £250,000. 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.

At 31st August 2014 the Academy had £278,725 of unrestricted free reserves and also £103,611 of restricted General Annual Grant which is available to spend on Educational activities. Other restricted reserves are detailed in note 16 to the financial statements.

##### ***Investment policy***

All funds surplus to immediate requirements are invested to optimal effect. Where cash flows allows, sums may be invested on deposits for extended periods.

Governors are committed to ensuring that all funds under the control are managed in such a way as to maximise return whilst minimising risk.

## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

##### ***Principal Risks and Uncertainties***

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year £4,144,228 of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failure in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract Students in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed. In addition a positive Academy marketing strategy has been developed to maximize intake.

**Safeguarding and child protection** - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.



## **Braunton School and Community College Academy Trust**

### **Directors' Report for the Year Ended 31 August 2014**

#### ***Plans for future periods***

Braunton Academy will continue to strive to provide outstanding learning opportunities to cater for all learner needs to improve the achievement and progress of all students. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. In addition tailor high quality CPD (continuing professional development).

The Academy will continue to work with partner schools (locally, nationally and internationally), businesses and other community organisations to extend and enhance the educational opportunities for students in the wider community.

The Academy will continue to develop its outreach capacity into the family of primary schools to create a seamless transitional experience for our future learners coupled with maximising our local intake so that Braunton Academy remains the very best first choice option in a very competitive locality.

Working with parents remains a key priority. They will be continue to be invited to a regular program of Family Learning evenings with an ongoing agenda of learning to learn skills, literacy, numeracy, e learning and parenting skills development. Parent forums will focus on home learning and continue to shape the 'Show my homework' and My Independent Learning Opportunity (MILO) project.

The development of Braunton Academy as an after school hours learning centre is another key goal that we will energetically pursue.

Following the successful bid to the EFA in December 2013 the building of the New Learning Centre will commence in September 2014 with the completion due February 2015. This building will create a new two story building on the end of the existing humanities block to accommodate a new reception area, library resources, careers and additional learning needs centre.

Further TFQ (architects) led bids will be submitted in December 2014 these being:

- The refurbishment of the students' quadrangle toilet.
- Replacement of the existing heating system with the Quad block as it is life expired and potentially liable to failure.

With the demolition of the Devon Ladies Buildings due to take effect in February 2015, the Academy is aiming to refurbish this area for improved outdoor space for Students.

Middle Leadership capacity building is a key priority for the Academy.

The new national funding formula does not favour small secondary schools with lower levels of deprivation. There will be further pressure on the school budget due to the increase in Teachers Pension contributions with effective from 1st September 2015 and increase in Employers National Insurance Contributions with effect from 1st April 2016. As a consequence we will need to hold a high reserve to carry the Academy through the next three years.

We anticipate that student numbers will stabilize at around 645-655 and start to rise in 2015-16. Local demographic changes anticipate a rise in student numbers thereafter and the school should be at PAN (150) provided that good marketing strategies are in place.

Full details of our plans for the future are given in our Academy Improvement Plan 2012-15, which is available on our website or from the Company Secretary.

#### **Funds held as Custodian Trustee on behalf of others**

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

## Braunton School and Community College Academy Trust

### Directors' Report for the Year Ended 31 August 2014

#### Auditor

In so far 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.

Approved by order of the Board of Trustees on 4/9/14 and signed on its behalf by:



.....  
Mr M Byrom  
Trustee

## Braunton School and Community College Academy Trust

### Governance Statement

#### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, 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 Braunton School and Community College Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

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

Director	Meetings attended	Out of a possible
Mrs J Baxter	6	6
Ms P Beevers	6	6
Mrs P Bodimeade	5	6
Mr M Byrom	6	6
Mr A Cooper	3	6
Ms C Davenport	5	6
Mr B Eason	4	6
Ms C Fisher	6	6
Mr B Harcourt	4	6
Mr A Hale	4	6
Mr D Hartnoll	5	6
Mr M Juby	5	6
Mr D Liversedge	4	6
Mr C Reed	5	6
Ms M Robinson	5	6
Ms L Sedgwick	5	6
Mr D Sharratt	4	6
Mr M Cammack	0	0
Mr N Tanton	0	0
Mrs C Viqueira	0	0

## Braunton School and Community College Academy Trust

### Governance Statement (continued)

Changes that have arisen during the 2013-2014 year;

- Mark Juby (Community Governor) joined the Governing Body and became a member of the Teaching & Learning Committee and Student Progress Portfolio in November 2013.

- Brendan Harcourt (Community Governor) resigned the Governing Body in August 2014. He was a member of the Teaching & Learning Committee and Student Progress Portfolio

- David Sharrat (Principal) resigned the Governing Body in July 2014. He was a member of the Finance, Leadership and Management, and Student Progress Portfolios. He was replaced as both Principal and Trustee by Mick Cammack.

- Mr N Tanton and Mrs C Viqueira joined the Governing body in July 2014. It will be agreed in the new academic year which portfolios groups they will join.

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to:

Ensure that the resources allocated to our school are used to ensure the best provision for the pupils. The Governing Body recognises that it is accountable for the way in which resources are used and is committed to carrying out this responsibly, honestly, transparently and with integrity. The committee has delegated responsibility from the governing body to fulfil the responsibilities of the Governing Body as specifically itemised below. The committee will operate in accordance with the provisions of the Scheme for Financing Schools (the LMS Scheme), Minimum Standards Financial Regulations to maintain effective arrangements for the efficient deployment of school resources.

#### Best Value

Where possible and reasonable the Governing Body will ensure the principles of Best Value are followed when making decisions.

The principles of Best Value are:

- Challenge - why, how and by whom an activity is carried out;
- Compare - performance against other schools and between parts of each school;
- Consult - involving stakeholders, especially pupils and parents;
- Compete - as a means of securing efficient and effective services. Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
Mr M Byrom	3	3
Mr A Cooper	1	3
Ms C Davenport	3	3
Mr B Eason	0	3
Mr A Hale	3	3
Mr C Reed	2	3
Mr D Sharratt	2	3

## **Braunton School and Community College Academy Trust**

### **Governance Statement (continued)**

From September 2014, the Teaching and Learning Committee and Resources Committee will operate with 3 portfolio groups each. Teaching & Learning operate Student Progress, Behaviour & Safeguarding and Quality of Teaching. Resources operate with Finance, Leadership & Management, Estate/Health & Safety. Each Group meets 6 times a year and reports to the Full Governing Body.

#### **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 Braunton School and Community College Academy Trust 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 Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **The risk and control framework**

The academy 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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However they trustees have appointed R Willcocks as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Governing Body, through the resources committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

## Braunton School and Community College Academy Trust

### Governance Statement (continued)

#### Review of effectiveness

As Accounting Officer, Mr M Cammack 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 have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 4/1/16 and signed on its behalf by:



Mr M Byrom  
Trustee



Mr M Cammack  
Accounting Officer

## **Braunton School and Community College Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Braunton School and Community College Academy Trust I have considered my responsibility to notify the Trust Board 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook and I have ensured that I have been adequately briefed following the retirement of the previous Accounting Officer.

I confirm that I and the Trust Board 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.



Mr M. Cammack  
Accounting officer



## Braunton School and Community College Academy Trust

### Statement of Trustees' Responsibilities

The trustees (who act as the trustees for charitable activities 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 Board on  and signed on its behalf by:



Mr M Byrom  
Trustee



## **Braunton School and Community College Academy Trust**

### **Independent Auditor's Report to the members of Braunton School and Community College Academy Trust**

We have audited the financial statements of Braunton School and Community College Academy Trust for the year ended 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Trustees, 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 charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 21), the trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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 the Annual Accounts Direction issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## Braunton School and Community College Academy Trust

### Independent Auditor's Report to the members of Braunton School and Community College Academy Trust

#### Matters on which we are required to report by exception

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

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



Christopher Bush (Senior Statutory Auditor)  
For and on behalf of Francis Clark LLP, Statutory Auditor

Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
Devon  
EX2 5FD

Date: 10.12.2014.

## **Braunton School and Community College Academy Trust**

### **Independent Auditor's Report on Regularity to the Governing Body of Braunton School and Community College Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated and further to the requirements of the Education Funding Authority (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 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 the Trust Board and the EFA. Our review work has been undertaken so that we may state to the Trust Board and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Trust Board and the EFA, for our review work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the governing body and Auditors**

The Trust Board is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year from 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.

#### **Approach**

We conducted our engagement in accordance with the Annual Accounts Direction issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

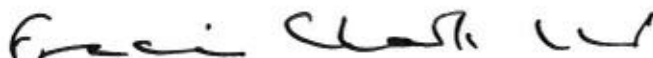
- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

**Braunton School and Community College Academy Trust**

**Independent Auditor's Report on Regularity to the Governing Body of  
Braunton School and Community College Academy Trust and the Education  
Funding Agency**

**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 from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Christopher Bush

For and on behalf of Francis Clark LLP, Chartered Accountants

Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
Devon  
EX2 5FD

Date: 10.12.2014

# Braunton School and Community College Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds	Restricted General Funds	Restricted Fund Pension Reserve	Restricted Fixed Asset Funds	Total 2014	Total 2013
	Note	£	£	£	£	£	£
<b>Incoming resources</b>							
<i>Incoming resources from generated funds:</i>							
Voluntary income		1,557	68,837	-	-	70,394	87,791
Activities for generating funds	4	170,308	53,880	-	-	224,188	281,042
Investment income	5	7,161	1,470	-	-	8,631	6,645
<i>Incoming resources from charitable activities:</i>							
Funding for the Trust's educational operations	6	<u>6,547</u>	<u>3,453,128</u>	<u>-</u>	<u>732,776</u>	<u>4,192,451</u>	<u>3,947,460</u>
Total incoming resources		<u>185,573</u>	<u>3,577,315</u>	<u>-</u>	<u>732,776</u>	<u>4,495,664</u>	<u>4,322,938</u>
<b>Resources expended</b>							
<i>Charitable activities:</i>							
Trust's educational operations	8	172,852	3,463,321	72,000	87,742	3,795,915	3,820,924
Governance costs	9	<u>-</u>	<u>32,548</u>	<u>-</u>	<u>-</u>	<u>32,548</u>	<u>32,158</u>
Total resources expended	7	<u>172,852</u>	<u>3,495,869</u>	<u>72,000</u>	<u>87,742</u>	<u>3,828,463</u>	<u>3,853,082</u>
<b>Net incoming/(outgoing) resources before transfers</b>							
		12,721	81,446	(72,000)	645,034	667,201	469,856
<b>Gross transfers between funds</b>							
		<u>2,922</u>	<u>(62,191)</u>	<u>-</u>	<u>59,269</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) for the year</b>							
		15,643	19,255	(72,000)	704,303	667,201	469,856

**Braunton School and Community College Academy Trust**

**Statement of Financial Activities for the Year Ended 31 August 2014  
(Including Income and Expenditure Account and Statement of Total  
Recognised Gains and Losses)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fund Pension Reserve £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>Other recognised gains and losses</b>							
Actuarial loss on defined benefit pension schemes	23	-	-	(143,000)	-	(143,000)	(45,000)
Net movement in funds/(deficit)		15,643	19,255	(215,000)	704,303	524,201	424,856
<b>Reconciliation of funds</b>							
Funds/(deficit) brought forward at 1 September 2013		<u>263,082</u>	<u>246,042</u>	<u>(1,027,000)</u>	<u>7,585,608</u>	<u>7,067,732</u>	<u>6,642,876</u>
Funds/(deficit) carried forward at 31 August 2014		<u>278,725</u>	<u>265,297</u>	<u>(1,242,000)</u>	<u>8,289,911</u>	<u>7,591,933</u>	<u>7,067,732</u>

All of the academy's activities derive from continuing operations during the above two financial periods.

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

# Braunton School and Community College Academy Trust

(Registration number: 7989226)

Balance Sheet as at 31 August 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	12	7,678,249	7,567,398
<b>Current assets</b>			
Debtors	13	642,055	134,741
Cash at bank and in hand		<u>694,854</u>	<u>594,233</u>
		1,336,909	728,974
Creditors: Amounts falling due within one year	14	<u>(168,745)</u>	<u>(201,640)</u>
Net current assets		<u>1,168,164</u>	<u>527,334</u>
Total assets less current liabilities		8,846,413	8,094,732
Creditors: Amounts falling due after more than one year	15	<u>(12,480)</u>	<u>-</u>
Net assets excluding pension liability		8,833,933	8,094,732
Pension scheme liability	23	<u>(1,242,000)</u>	<u>(1,027,000)</u>
Net assets including pension liability		<u><u>7,591,933</u></u>	<u><u>7,067,732</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>	16		
Restricted general fund		265,297	246,042
Restricted fixed asset fund		8,289,911	7,585,608
Restricted pension fund		<u>(1,242,000)</u>	<u>(1,027,000)</u>
		7,313,208	6,804,650
<b>Unrestricted funds</b>	16		
Unrestricted general fund		<u>278,725</u>	<u>263,082</u>
Total funds		<u><u>7,591,933</u></u>	<u><u>7,067,732</u></u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 1/9/14 and signed on their behalf by:

  
 .....  
 Mr M Byrom  
 Trustee

# **Braunton School and Community College Academy Trust**

## **Cash Flow Statement for the Year Ended 31 August 2014**

	Note	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	18	(442,194)	190,486
Returns on investments and servicing of finance	19	8,631	6,645
Capital expenditure and financial investment	20	<u>534,184</u>	<u>(54,401)</u>
Increase in cash in the year	21	<u>100,621</u>	<u>142,730</u>

### **Reconciliation of net cash flow to movement in net funds**

Increase in cash in the year	100,621	142,730
Net funds at 1 September 2013	<u>594,233</u>	<u>451,503</u>
Net funds at 31 August 2014	<u>694,854</u>	<u>594,233</u>



## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **1 Accounting policies**

##### **Basis of preparation**

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

##### **Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Incoming resources**

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

##### **Grants receivable**

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

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**

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

##### **Donations**

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

##### **Other income**

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

## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **1 Accounting policies (continued)**

##### ***Donated services and gifts in kind***

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

##### ***Resources expended***

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

All resources expended are inclusive of irrecoverable VAT.

##### ***Cost of generating funds***

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

##### ***Charitable activities***

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

##### ***Governance costs***

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

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Land and Buildings	50 years straight line
Furniture and Equipment	10 years straight line
Motor Vehicles	5 year straight line
IT	3 years straight line

#### Leased assets

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

#### Taxation

The Academy Trust 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 Trust 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.

## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### **Fund accounting**

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

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

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

#### **2 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2014.

# **Braunton School and Community College Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2014**

### **3 Voluntary income**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Educational trips and visits	-	63,442	63,442	79,705
Other donations	1,557	5,395	6,952	8,086
	<u>1,557</u>	<u>68,837</u>	<u>70,394</u>	<u>87,791</u>

### **4 Activities for generating funds**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	11,141	26,204	37,345	46,528
Catering income	155,282	-	155,282	134,667
Other income	3,885	27,676	31,561	99,847
	<u>170,308</u>	<u>53,880</u>	<u>224,188</u>	<u>281,042</u>

### **5 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposit interest	7,161	1,470	8,631	6,645

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 6 Funding for Trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
<b>DfE/EFA capital grants</b>					
Devolved Formula Capital	-	-	15,256	15,256	15,931
ACMF Grant	-	-	698,520	698,520	249,938
Other Capital Grant	-	-	19,000	19,000	15,000
	<u>-</u>	<u>-</u>	<u>732,776</u>	<u>732,776</u>	<u>280,869</u>
<b>DfE/EFA revenue grants</b>					
General Annual Grant (GAG)	-	3,173,482	-	3,173,482	3,340,097
Pupil Premium	-	104,765	-	104,765	108,014
EFA	-	39,124	-	39,124	-
	<u>-</u>	<u>3,317,371</u>	<u>-</u>	<u>3,317,371</u>	<u>3,448,111</u>
<b>Other government grants</b>					
Local Authority SEN	-	53,913	-	53,913	123,429
Other Local Authority	-	15,406	-	15,406	-
Big Lottery	-	8,422	-	8,422	9,987
Other Government Grant	-	30,513	-	30,513	56,639
	<u>-</u>	<u>108,254</u>	<u>-</u>	<u>108,254</u>	<u>190,055</u>
<b>Non-government grants and other income</b>					
Other Grants	6,547	27,503	-	34,050	28,425
<b>Total grants</b>	<u>6,547</u>	<u>3,453,128</u>	<u>732,776</u>	<u>4,192,451</u>	<u>3,947,460</u>

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 7 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
Direct costs	2,813,090	-	350,060	3,163,150	3,131,651
Allocated support costs	-	382,119	250,646	632,765	689,273
	<u>2,813,090</u>	<u>382,119</u>	<u>600,706</u>	<u>3,795,915</u>	<u>3,820,924</u>
Governance costs including allocated support costs	-	-	32,548	32,548	32,158
	<u>2,813,090</u>	<u>382,119</u>	<u>633,254</u>	<u>3,828,463</u>	<u>3,853,082</u>

### Net incoming/outgoing resources for the year include:

	2014 £	2013 £
Fees payable to auditor - audit	6,450	6,100
- other audit services	<u>1,750</u>	<u>1,750</u>

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 8 Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted Fund Pension Reserve £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>						
Teaching and educational support staff costs	68,400	2,711,690	33,000	-	2,813,090	2,817,398
Educational supplies	2,551	216,802	-	-	219,353	198,875
Examination fees	-	41,718	-	-	41,718	40,541
Staff development	-	19,857	-	-	19,857	14,186
Other direct costs	4,570	64,562	-	-	69,132	60,651
	<u>75,521</u>	<u>3,054,629</u>	<u>33,000</u>	<u>-</u>	<u>3,163,150</u>	<u>3,131,651</u>
<b>Allocated support costs</b>						
Depreciation	-	-	-	87,742	87,742	73,928
Maintenance of premises and equipment	-	89,138	-	-	89,138	126,537
Cleaning	-	79,002	-	-	79,002	72,469
Rent and rates	-	29,715	-	-	29,715	41,354
Energy costs	-	56,567	-	-	56,567	64,291
Insurance	-	39,955	-	-	39,955	40,754
Recruitment and support	-	21,264	-	-	21,264	5,653
Security & transport	560	2,429	-	-	2,989	10,956
Catering	96,603	6,143	-	-	102,746	89,155
Bank interest and charges	-	185	-	-	185	64
Professional fees	-	71,053	-	-	71,053	96,010
Other Support Costs	168	13,241	39,000	-	52,409	68,102
	<u>97,331</u>	<u>408,692</u>	<u>39,000</u>	<u>87,742</u>	<u>632,765</u>	<u>689,273</u>
	<u>172,852</u>	<u>3,463,321</u>	<u>72,000</u>	<u>87,742</u>	<u>3,795,915</u>	<u>3,820,924</u>



# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 9 Governance costs

	Restricted funds £	Total 2014 £	Total 2013 £
<b>Auditors' remuneration</b>			
Audit of financial statements	6,450	6,450	6,100
Other audit services	1,750	1,750	1,750
	<u>8,200</u>	<u>8,200</u>	<u>7,850</u>
<b>Support costs</b>	<u>24,348</u>	<u>24,348</u>	<u>24,308</u>
	<u>32,548</u>	<u>32,548</u>	<u>32,158</u>

### 10 Staff costs

	2014 £	2013 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,282,909	2,318,616
Social security costs	162,130	165,822
Pension costs	368,051	340,435
	<u>2,813,090</u>	<u>2,824,873</u>

The number of employees whose emoluments (excludes pension contributions) fell within the following bands was:

	2013 No	2012 No
£60,001 - £70,000	2	1
£70,001 - £80,000	<u>-</u>	<u>1</u>

2 (2013 - 2) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £18,715 (2013 - £19,241).

### 11 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration (includes pension contributions) 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 was as follows:

## Braunton School and Community College Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 11 Trustees' remuneration and expenses (continued)

Ms P Beevers (Staff Governor):	£5,000 - £10,000	(2013 - £5,000 - £10,000)
Mrs P Bodimeade (Staff Governor):	£15,000 - £20,000	(2013 - £20,000 - £25,000)
Mr D Liversedge (Staff Governor):	£40,000 - £45,000	(2013 - £40,000 - £45,000)
Mr D Sharratt (Principal and Trustee):	£65,000 - £70,000	(2013 - £70,000 - £75,000)
Ms C Davenport (Staff Governor):	£20,000 - £25,000	(2013 - £15,000 - £20,000)
Ms C Fisher (Invigilator):	£0 - £5,000	(2013 - £Nil)

During the year ended 31 August 2014, travel and expenses totalling £1,576 (2013 - £1,462) were reimbursed to 4 trustees (2013 - 3).

Related party transactions involving the trustees are set out in note 24.

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 12 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Assets in the course of construction £	Total £
<b>Cost</b>						
At 1 September 2013	7,429,892	189,210	10,333	43,664	-	7,673,099
Additions	-	56,307	-	43,577	98,708	198,592
At 31 August 2014	<u>7,429,892</u>	<u>245,517</u>	<u>10,333</u>	<u>87,241</u>	<u>98,708</u>	<u>7,871,691</u>
<b>Depreciation</b>						
At 1 September 2013	38,022	38,041	5,667	23,971	-	105,701
Charge for the year	<u>30,715</u>	<u>34,134</u>	<u>4,000</u>	<u>18,892</u>	<u>-</u>	<u>87,741</u>
At 31 August 2014	<u>68,737</u>	<u>72,175</u>	<u>9,667</u>	<u>42,863</u>	<u>-</u>	<u>193,442</u>
<b>Net book value</b>						
At 31 August 2014	<u>7,361,155</u>	<u>173,342</u>	<u>666</u>	<u>44,378</u>	<u>98,708</u>	<u>7,678,249</u>
At 31 August 2013	<u>7,391,870</u>	<u>151,169</u>	<u>4,666</u>	<u>19,693</u>	<u>-</u>	<u>7,567,398</u>

The school car park was transferred to the Academy during the year at no value. It was included in the original valuation of Land and Buildings on conversion.

# **Braunton School and Community College Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2014**

### **13 Debtors**

	2014 £	2013 £
Trade debtors	10,231	7,375
Prepayments	74,883	35,668
VAT recoverable	48,085	49,738
Other debtors	508,856	41,960
	<u>642,055</u>	<u>134,741</u>

### **14 Creditors: amounts falling due within one year**

	2014 £	2013 £
Trade creditors	32,858	46,232
Other taxation and social security	43,289	48,694
Other creditors	16,211	5,388
Pension scheme creditor	37,174	41,227
Accruals	25,765	52,807
Deferred income	13,448	7,292
	<u>168,745</u>	<u>201,640</u>

### **15 Creditors: amounts falling due after one year**

	2014 £
Other Creditors	<u>12,480</u>

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
GAG	125,961	3,173,518	(3,109,357)	(86,511)	103,611
Other DfE/EFA	-	143,889	(140,607)	(3,282)	-
Local Authority SEN	-	53,913	(53,913)	-	-
Other Local Authority	-	15,956	(30,846)	14,890	-
Restricted donations	2,261	28,432	(28,796)	-	1,897
Nordab	2,033	200	(2,919)	686	-
Trips	2,330	46,254	(48,985)	4,832	4,431
Trips Comenius	43,005	7,625	(18,395)	(3,669)	28,566
Perrigo	3,662	8,000	(5,859)	(2,207)	3,596
BLC Redundancy Provision	5,935	5,798	(798)	-	10,935
AGP Trading Fund	15,855	20,397	(14,447)	(15,000)	6,805
AGP Sinking Fund	45,000	-	-	15,000	60,000
ESA Cup	-	1,247	(913)	(200)	134
PEEP Project	-	1,867	(282)	-	1,585
Sports England	-	8,422	-	-	8,422
NDDC - Athletic Track	-	4,000	(448)	-	3,552
Athletic Track - Sinking Fund	-	282	-	2,200	2,482
MOD Grant	-	26,513	(2,259)	-	24,254
Tennis Revenue	-	3,854	(2,278)	924	2,500
Tennis Sinking Fund	-	-	-	2,500	2,500
Other Restricted Funds	-	27,148	(34,767)	7,646	27
	<u>246,042</u>	<u>3,577,315</u>	<u>(3,495,869)</u>	<u>(62,191)</u>	<u>265,297</u>
<b>Restricted fixed asset funds</b>					
Big Lottery	9,932	-	(199)	-	9,733
Perrigo	-	-	(184)	2,207	2,023
Assets Purchased from GAG	68,344	-	(15,006)	57,062	110,400
Multi Use Games Area	15,000	-	(1,500)	-	13,500
DfE/EFA Funded	263,840	713,776	(6,820)	2,280	973,076
EDF Solar Panels	-	19,000	(316)	-	18,684
Assets on Conversion	<u>7,228,492</u>	<u>-</u>	<u>(63,717)</u>	<u>(2,280)</u>	<u>7,162,495</u>
	<u>7,585,608</u>	<u>732,776</u>	<u>(87,742)</u>	<u>59,269</u>	<u>8,289,911</u>

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 16 Funds (continued)

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted pension funds</b>					
Pension	(1,027,000)	-	(72,000)	(143,000)	(1,242,000)
Total restricted funds	6,804,650	4,310,091	(3,655,611)	(145,922)	7,313,208
<b>Unrestricted funds</b>					
Unrestricted general funds	263,082	185,573	(172,852)	2,922	278,725
Total funds	7,067,732	4,495,664	(3,828,463)	(143,000)	7,591,933

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

#### Restricted General Fund

##### General Annual Grant

Funds received from the EFA under the General Annual Grant arrangements for the recurrent expenditure of the Academy as defined in the Funding Agreement.

##### Other EFA/DfE Revenue Grants

Funds received from the EFA for

- Insurance - Top-up insurance funding.
- Rates - Refund of non-domestic rates.
- Catch-up premium - Literacy and numeracy catch-up premium for year 7 pupils who did not achieve at least level 4 in reading and/or maths at the end of key stage 2.
- Summer School - to help disadvantaged new pupils understand what and how they will be studying in key stage 3 and to help disadvantaged pupils who are behind in key areas, such as literacy and numeracy, to catch up with their peers.
- Pupil Premium - Funds received from the EFA to raise the attainment of disadvantaged pupils and close the attainment gap between them and their peers.

##### Local Authority - Special Education Needs

Funding received from the EFA via the Local Authority to support individual students with a SEN Statement. The salary costs of the Teaching Assistants are set against this and any overspend is funded from the GAG.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

## Braunton School and Community College Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 16 Funds (continued)

##### Local Authority - Other

Devon County Council Funds received/refunded

- Pupil Led and Pupil Premium Refunds to DCC for Excluded Students.
- 80% Broadband subsidy
- Intervention support
- Skills Centre

##### Restricted Donations

- Various restricted income & expenditure from Educational activities.
- Donations collected by students for Local, National and International charities.
- Sedao - Sponsorship from a local company which contributed towards a Cambridge University Trip for Year 10 students.

##### Nordab (North Devon Academic Board)

Is an informal partnership with local colleges, secondary schools, special schools and behaviour support units in the North Devon Area. This collective of schools was led by Braunton School up to 31.08.14.

##### Trips

Income and expenditure relating to school trips.

##### Trips - Comenius

Project funded by the British Council to develop knowledge and understanding among young people and education staff of the diversity of European cultures and languages, and the value of this diversity. It helps young people to acquire basic life skills.

##### Perrigo

Donation by a local manufacturing company, to support the After School STEM (Science, Technology, Engineering and Maths) Club. It is a national, government and industry program aimed at getting students interested in these very rewarding career areas where there are some national shortages, even in a recession.

##### Braunton Learning Communities (BLC)

Collaboration between Braunton Academy and the five feeder schools that focuses on improving the learning opportunities, health, well-being and life chances of everyone in the learning community.

##### AGP (Artificial Grounds Pitch) - Trading Account

Trading account for the Braunton Academy AGP, which includes the income from the letting to local community groups less the expenditure incurred to maintain the pitch. The AGP was partly funded by the Football Foundation and was opened in 2007.

##### AGP (Artificial Grounds Pitch) - Sinking Fund

A fund set aside to pay for the replacement of the Artificial Turf which is in line with the requirement of the funding from the Football Foundation.



## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **16 Funds (continued)**

##### Peep Project

Pupil and Employer Engagement Project funded through North Devon Plus.

##### Sports England

A Project to pay for sports equipment and coaching to deliver extra-curricular Dance and multi-sports programme.

##### Athletic Track - North Devon District Council

Funding to contribute towards the maintenance of the Athletic Track and buildings.

##### Athletic Track - Sinking Fund

Income from the lettings of the Athletic Track to local community groups and a contribution from the school towards the requirement to set aside funds for the maintenance of the Athletic Track.

##### Ministry Of Defence Education Support Fund

Funding received by the Ministry of Defence to support Service Children through Academic interventions, afterschool supported study clubs and other support services.

##### Tennis Court Revenue Account

Account for the day to day running of the Tennis Court, with any surpluses being transferred to the Sinking Fund.

##### Tennis Court Sinking Fund

The Tennis Courts were partly funded by the LTA. A condition of the grant was to set up a sinking Fund to cover the cost of replacement.

##### Other Restricted Funds

Including :

- Recreational - Extra-curriculum activities which includes Duke of Edinburgh, Film Club and After School Clubs which are part-subsidised by the school.
- Stationery Shop - A project to support students who require or have forgotten to bring stationery items to school, to enable them to complete their studies.
- Schools Sports Co-ordinator - Income from the Braunton Academy Catchment area feeder schools for the provision of a PE Specialist to provide Sports programmes and development for them.

##### **Fixed Assets**

##### Big Lottery Fund

A project supported by the Big Lottery Fund to build a Vocational Opportunities Learning Environment (VOLE) with an outdoor classroom to enhance our on-site facilities for the benefit of all of our learners and learners from other secondary schools in the locality

##### EDF - Solar Panels

A project for the installation of Solar Panels on the Isaac Hall roof, match funded by EDF.

##### **Pension Reserve**

This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

# **Braunton School and Community College Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2014**

### **17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	7,678,249	7,678,249
Current assets	279,171	437,035	620,703	1,336,909
Current liabilities	(446)	(159,258)	(9,041)	(168,745)
Creditors over 1 year	-	(12,480)	-	(12,480)
Pension scheme liability	-	(1,242,000)	-	(1,242,000)
Total net assets	<u>278,725</u>	<u>(976,703)</u>	<u>8,289,911</u>	<u>7,591,933</u>

### **18 Reconciliation of net income to net cash inflow/(outflow) from operating activities**

	2014 £	2013 £
Net income	667,201	469,856
Depreciation	87,741	73,928
Donated capital and capital grants	(732,776)	(290,856)
Interest receivable	(8,631)	(6,645)
Increase in debtors	(507,314)	(70,821)
Decrease in creditors	(20,415)	(41,976)
FRS 17 pension costs less contributions payable	33,000	28,000
FRS 17 pension finance income	39,000	29,000
Net cash (outflow)/inflow from operating activities	<u>(442,194)</u>	<u>190,486</u>

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 19 Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	8,631	6,645
Net cash inflow from returns on investments and servicing of finance	8,631	6,645

### 20 Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	(198,592)	(345,257)
Capital grants from DfE	713,776	265,869
Capital grants from others	19,000	24,987
Net cash inflow/(outflow) from capital expenditure and financial investment	534,184	(54,401)

### 21 Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	594,233	100,621	694,854

### 22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **23 Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £37,174 (2013 - £41,277) were payable to the schemes at 31 August 2014 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 .

## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **23 Pension and similar obligations (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 since 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 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust 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 Trust has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

##### **Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £136,000 (2013 - £121,000), of which employer's contributions totalled £105,000 (2013 - £93,000) and employees' contributions totalled £31,000 (2013 - £28,000). The agreed contribution rates for future years are 14.8 per cent for employers and 5.5-7.5 per cent for employees.

## Braunton School and Community College Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 23 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	4.50	5.10
Rate of increase for pensions in payment/inflation	2.70	2.90
Discount rate for scheme liabilities	3.90	4.70
Inflation assumptions (CPI)	2.70	2.90
RPI increases	<u>3.50</u>	<u>3.70</u>

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

	At 31 August 2014	At 31 August 2013
<b>Retiring today</b>		
Males retiring today	23.00	21.00
Females retiring today	26.00	25.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.00	23.00
Females retiring in 20 years	<u>28.00</u>	<u>27.00</u>

# **Braunton School and Community College Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2014**

### **23 Pension and similar obligations (continued)**

The Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2014 £	At 31 August 2013 £
<b>Infrastructure</b>		
Equities	654,000	425,000
Gilts	60,000	92,000
Other bonds	45,000	-
Property	107,000	64,000
Cash	23,000	21,000
Other	210,000	106,000
Total market value of assets	1,099,000	708,000
Present value of scheme liabilities - funded	(2,341,000)	(1,735,000)
Deficit in the scheme	(1,242,000)	(1,027,000)

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.70	7.00
Gilts	3.00	3.50
Other bonds	3.60	4.40
Property	5.90	6.00
Cash	2.90	.50
Other	5.53	5.00

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £74,000 (2013 - £81,000).



# **Braunton School and Community College Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2014**

### **23 Pension and similar obligations (continued)**

#### **Amounts recognised in the statement of financial activities**

	2014 £	2013 £
Current service cost	(138,000)	(121,000)
Total operating charge	<u>(138,000)</u>	<u>(121,000)</u>

#### **Analysis of pension finance income/(costs)**

	2014 £	2013 £
Expected return on pension scheme assets	46,000	31,000
Interest on pension liabilities	<u>(85,000)</u>	<u>(60,000)</u>
Pension finance costs	<u>(39,000)</u>	<u>(29,000)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£182,000) (2013 - (£39,000)).

#### **Movements in the present value of defined benefit obligation**

	2014 £	2013 £
At 1 September	1,735,000	1,503,000
Current service cost	138,000	121,000
Interest cost	85,000	60,000
Employee contributions	31,000	28,000
Actuarial losses	345,000	95,000
Benefits paid	<u>7,000</u>	<u>(72,000)</u>
At 31 August	<u>2,341,000</u>	<u>1,735,000</u>

# Braunton School and Community College Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 23 Pension and similar obligations (continued)

#### Movements in the fair value of Trust's share of scheme assets

	2014 £	2013 £
At 1 September	708,000	578,000
Expected return on assets	46,000	31,000
Actuarial gains	202,000	50,000
Employer contributions	105,000	93,000
Employee contributions	31,000	28,000
Benefits paid	7,000	(72,000)
At 31 August	<u>1,099,000</u>	<u>708,000</u>

The estimated value of employer contributions for next period is £97,000 (2013 - £93,000).

#### History of experience adjustments

	2014 £	2013 £	2012 £
Experience adjustments arising on scheme assets	43,000	50,000	7,000
Experience adjustments arising on scheme liabilities	<u>(186,000)</u>	<u>(95,000)</u>	<u>(13,000)</u>

### 24 Related party transactions

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

During the year the academy made the following related party transactions:

#### Lynne Sharratt

(the Principal's spouse)

£213.76 was paid to Lynne Sharratt for music tuition. At the balance sheet date the amount due to Lynne Sharratt was £Nil (2013 - £214).

#### Brendan Harcourt

(Governor)

Payments totalling £10,002 were made to Brendan Harcourt for his consultancy services as a student mentor. Brendon Harcourt was commissioned by the school in 2005 to undertake learner mentor intervention work. He later became a community governor in 2010. In engaging his services, the Trustees performed a due diligence process and satisfied themselves on value for money. At the balance sheet date the amount due to Brendan Harcourt was £Nil (2013 - £Nil).

## **Braunton School and Community College Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **24 Related party transactions (continued)**

##### **Mark Juby**

(Governor)

Payments totalling £3,873 were made to Mark Juby for Nordab Chair expenses. At the balance sheet date the amount due to Mark Juby was £Nil (2013 - £Nil).

##### **Ann Juby**

(Governor's Spouse)

Payments totalling £2,012 were made to Ann Juby for bid writing, in accordance with the Academies procurement processes. At the balance sheet date the amount due to Ann Juby was £Nil (2013 - £Nil).

##### **West Cross Garage**

(A business owned by M Byrom - Governor)

During the period the Academy received payments from West Cross Garage totalling £300 for room hire. At the balance sheet date the amount due to West Cross Garage was £Nil (2013 - £Nil).

