

Braunton School and Community College Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

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 (resigned 6 September 2016) Mr B Eason Mr M Cammack Mr D Sanders (appointed 1 September 2015) Mr N Tanton (appointed 1 September 2015)
Governors and Trustees (Directors)	Mrs J Baxter, Chair of Trustees (resigned 6 September 2016) Ms P Beevers Mr B Eason Ms C Fisher (resigned 6 September 2016) Mr D Hartnoll Mr D Liversedge Ms M Robinson Ms L Sedgwick (resigned 6 September 2016) Mr N Tanton Mrs C Viqueira (resigned 1 September 2015) Mr M Cammack, Headteacher Mr M Juby Mr N Butler (appointed 7 October 2015 and resigned 6 September 2016) Mr A Clee (appointed 1 December 2015) Mr D Sanders (appointed 1 September 2015)
Company Secretary	Ms F Johnson
Principal	Mr M Cammack
Senior Management Team	Mr M Cammack, Headteacher Mrs M Frost, Deputy Head Mr G Brock, Assistant Head Mr R Horton, Assistant Head Mrs S Piper, Finance Manager Mr D Ludley, Estate Manager Ms F Johnson, HR/Admin Systems Manager
Principal and Registered Office	Barton Lane Braunton EX33 2BP
Company Registration Number	7989226

Braunton School and Community College Academy Trust

Reference and Administrative Details (continued)

Independent Auditors	PKF Francis Clark Statutory Auditor Vantage Point Woodwater Park Pynes Hill Exeter Devon EX2 5FD
Bankers	Lloyds TSB 8 Caen Street Braunton EX33 1AA
Solicitors	Foot Anstey LLP Senate Court Southernhay Gardens Exeter Devon EX1 1NT

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2016. 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 655 in the school census on 6th October 2015.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Braunton School and Community College Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Braunton Academy.

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

Members' liability

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

Trustees' Indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

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:

- 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).

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

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 Portfolio 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 Portfolio groups. It receives reports including policies from its Portfolio Groups for ratification. It monitors the activities of the Portfolio Groups through the reports of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Portfolio Groups now include:

- Finance, and Estate, including security and health and safety matters
- Leadership & Management, including Staff resourcing
- Student Progress, Teaching, Learning, Assessment & Outcomes
- Student Behaviour/Safeguarding

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.

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 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 Headteachers 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.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Arrangements for setting pay and remuneration of key management personnel

The Academy uses the Teachers' Pay and Conditions Book when setting pay for all staff. The Academy uses 'BlueSky' to record CPD training, and Lesson Observations for teachers. Staff are subject to regular review and the Senior Leader responsible liaises with the Head of Department, who line manages the teacher. The Academy works with the School Pay Policy in determining whether a member of staff has met their targets and had successful lesson observations, before pay decisions are made.

The Leadership and Management Portfolio Group of the Governing Body have delegated powers to agree and ratify pay decisions for staff, following discussions and recommendations by the Senior Leadership Team and evidence to support these recommendations.

The Principal Appraisal/Pay review is undertaken by the Leadership and Management Portfolio Group in conjunction with the School Improvement Partner annually.

Related Parties and Other Connected Charities and Organisations

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.

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). The Academy also works closely with the PiXL organisation, a nationwide group of schools working together to raise attainment across the curriculum.

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 Braunton Friends PTA who raise funds for the sole benefit of Braunton Academy.

Objectives and Activities

Objects and Aims

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

Braunton Academy's vision for all is clearly shared in the 2015 - 16 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.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Our motto for Braunton Academy is 'Aspire & Achieve'. 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 2016 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all students;
- to provide a broad and balanced curriculum, including a good range 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
- 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 2015 - 16 which is available from the Academy website. Improvement focuses identified for this year included:

- Continued development of systems for tracking, monitoring student attainment and targeted intervention strategies to support underperforming students and student premium cohorts, which include 4Matrix.
- Development of the quality of teaching and learning through an innovative training programme 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.
- 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 'BlueSky'.
- Continuing the development of a series of school site improvement bids for submission in 2016-17 through TFQ Architects who are local experts with a strong track record.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

- 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.
- To continue to market the school as the school of first choice (including those who have traditionally considered the independent sector) for children in the wider Braunton catchment area, and beyond.
- Increase income for additional activities by commissioning professional fund raisers.
- To continue to be an outward looking school - prepared to embrace the widest and most effective styles of teaching. This to be achieved through training and sharing of good practice with other outstanding schools and practitioners.
- To consider the newly emerging structures of school partnerships (in particular the development of multi academy trusts).
- As a rural school in a relatively remote area of the country, the school needs to continue with its enhanced programme of international visits. For many children this can open eyes and minds to the global nature of the world they are entering as young adults.
- Aspire to being an 'Outstanding' school.

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 Community 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 Community Primary School.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Achievements and Performance

Exam results 2016 (August 2016 unvalidated)

5A*- C including English and Maths all students	71.3%
5A*- C	72.06%
5A* - G	97.79%
5A*/A	15.44%
1A*/A	62.77%
A* - C English	83.44% of Entries
A* - C Maths	82.09% of Entries
2A* - C Science	64.71% of Entries

Other outcomes from Braunton Academy during 2015/2016

- Successful Ofsted visit in June 2016, with Braunton Academy achieving Good Status
- Best ever exam results
- Awarded CIF bid of £615k towards the cost of replacing the old 1970's Quad Heating system and windows
- Awarded new MOD grant for 2016/17
- Installation of Cashless Catering
- Installation of Air Conditioning within the IT suites
- With support from the PTFA upgraded spaces outside for students, where the Devon Ladies building previously resided

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.

Financial Review

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 2016 was £6,909,428, of which £319,805 is unrestricted reserves, against a recommended free reserve balance of £250,000.

The General Annual Grant carry forward balance as at the 31st August 2016 was £124,148 which represented 3.9% 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 students on roll, it is a key performance indicator. The Academy has seen the number of students stabilise, although there is a known 'bulge' from the Academy's feeder school, which will start impacting within the next two years.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Another key financial performance indicator is staffing costs as a percentage of GAG. For the financial year 2015/16 this is 88.6%.

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

	Target	Actual
GAG carry forward	-	£124k
Total unrestricted funds balance	£250k	£310k
Student to teacher ratio	17.7 to 1	17.4 to 1
Teaching to non-teaching staff ratio	1:1	1:0.96
Student Attendance	95%	95.47%
Total income per student	n/a	6,718
Total GAG per student	n/a	£4,889
Staff costs per student	n/a	£4,332
Total learning resources costs per student	n/a	£239
LGPS deficit per student	n/a	£4,014
LGPS deficit per non-teaching staff members	n/a	£46,404
Cash balances at year end	n/a	£896k
Net assets at the year end including pension liability.	n/a	£6,909k

During the year ended 31 August 2016, the income for the Academy was £4,400,225. 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 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy was very successful in obtaining a CIF (Capital Improvement Fund) grant for £615,730 from the EFA in respect to replacing the old 1970's heating system and new windows. 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 the Ministry of Defence of £31,165 to support Forces Service students, 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.

During the year ended 31 August 2016, total expenditure of £3,855,779 which was predominately covered by recurrent grant and capital improvement funding from the DFE, together with other incoming resources.

At 31st August 2016 the net book value of Fixed Assets was £8,830,781 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

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 31st August 2016 the liability increased by £1,318k to £2,645k.

During the Financial year ending 31st August 2016 the following financial policies were reviewed and updated.

- Scheme of Financial Delegation - written scheme of delegation of the Governors financial powers and duties to its Finance Portfolio Group, Principal, Finance Manager
- 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.
- Lettings Policy - sets out the procedures and processes for external organisations hiring the schools facilities.
- LGPS & Discretionary Policy - A Policy Statement in relation to the exercising of a number of Discretions under the LGPS.
- Debtor Management Policy - sets out Braunton Academy's policy and procedures in relation to the billing, collection and recovery of monies owed to the school.
- Anti-Fraud & 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, and who to report it to.
- Staff Expense Policy - provides guidance to all individuals claiming reimbursement of travel, subsistence or other expenses incurred in connection with Braunton Academy business, and will ensure that individuals operate within governing body guidelines.

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 2015 the Academy had £319,807 of unrestricted free reserves and also £124,148 of restricted General Annual Grant which is available to spend on Educational activities. Other restricted reserves are detailed in note 14 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

Trustees' Report for the Year Ended 31 August 2016 (continued)

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 reserves 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 Finance & Estate Portfolio Group meets 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 22 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.

Principle Risks and Uncertainties

The principle risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year £4,096k 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 appositive Academy marketing strategy has been developed to maximise 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 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.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Fraud and mismanagement of funds – The Academy has appointed an Internal Auditor 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.

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 continue to be invited to a regular programme 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.

Further TFQ (architects) led bids will be submitted in December 2016 these being:

- Condition improvement bid for replacement roofs for the Maths & Humanities Block.
- Condition improvement bid for the Dance Studio

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

With the delay in the new national funding formula, the need to have adequate reserves is essential to carry the Academy through the next two years.

We anticipate that student numbers will stabilise at around 660 and start to rise in 2016-17. 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 2015-16, which is available on our website or from the Company Secretary.

Braunton School and Community College Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

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.

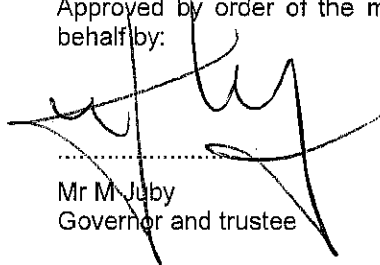
AUDITOR

In so far as the Governors are aware:

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

The auditors, PKF Francis Clark, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Governing Body on 13.12.16 And signed on its behalf by:



Mr M. Juby
Governor and 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 board of trustees 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 board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Mrs J Baxter	5	6
Ms P Beevers	5	6
Mr N Butler	4	5
Mr M Cammack	6	6
Mr A Clee	5	5
Mr B Eason	4	6
Ms C Fisher	4	6
Mr D Hartnoll	4	6
Mr M Juby	4	6
Mr D Liversedge	2	6
Ms M Robinson	5	6
Mr D Sanders	5	6
Ms L Sedgwick	5	6
Mr N Tanton	5	6
Mrs C Viqueira	0	0

Changes that have arisen during the 2015-2016 year;

- Mr A Clee (Community Governor) appointed to the Governing Body on 1st December 2015. He is a member of the Finance and Estate Portfolio Group.
- Mr N Butler (Staff Governor) appointed to the Governing Body on 5th October 2015. He is a member of the Teaching and Learning Portfolio Group
- Mr D Sanders & N Tanton were both appointed Trustees on 1st September 2015.
- Mrs C Viqueira (Community Governor) resigned from the Governing Body on 1st September 2015. She was a member of the Leadership and Management Group.

Braunton School and Community College Academy Trust

Governance Statement (continued)

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.

The Finance and Estate portfolio is a sub-group of the main board of trustees. 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 responsibility honestly, transparently and with integrity. The Finance & Estate Portfolio Group has delegated responsibility from the Governing Body to fulfil the responsibilities of the Governing Body as specifically itemised below. The Finance & Estate Portfolio Group 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.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Cammack	6	7
Mr D Hartnoll	7	7
Mr N Tanton	7	7
Mr A Clee	5	5

Review of value for money

As accounting officer the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources achieved.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Improving Educational results

Improving educational results for our students remains our key priority. The Academy has taken the steps to support school improvement for our students and to raise attainment and aspirations. The Academy is committed to supporting our students in reaching their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for their next stage of education.

Braunton School and Community College Academy Trust

Governance Statement (continued)

Targeted Improvement

The Academy has developed a robust tracking system for monitoring achievement and is continually looking at how data can inform staff in order for them to support and extend the learning of the students. For example, The Academy continues to work closely with PIXL initiatives and subscribe to "4Matrix".

Focus on individual pupils

The Academy rewards excellence and encourages positive study skills & behaviours, through celebrating achievement and encouraging students to try new activities to develop their confidence and leadership skills. We operate a wide variety of student support programmes to ensure students remain positively engaged in their learning, with particular focus on those who are disadvantaged. For Example:

- MOD Funding
- STEM Club

Collaboration

The Academy works closely with its partner schools and the head teachers meet regularly through the local Braunton Learning Communities forum to share ideas, good practice and discuss issues. We work cooperatively with other, Local and National, Secondary Schools to broaden and further develop the learning opportunities for both staff and students alike.

Quantifying Improvements

Exam Results headlines 2016 (November 2016 unvalidated)

The Academy Exam results in 2016 saw a growth of 13% from 58% achieving 5A*-C including English and Maths in 2015 to 71% in 2016, with the headline figures detailed on Page 8.

Financial governance and oversight

The Academy's Governing Body has strong oversight of the financial management of the budget. The Finance & Estate Portfolio Committee receives monthly monitoring reports and meets at least six times a year to review the financial position, to receive reports and to challenge decisions. The Trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Trust also receives and approves the Annual Accounts and the External Auditors Management Report.

The Academy receives support throughout the year from its External Auditors on compliance and accounting practices. In addition we also engage the services of an Internal Auditor who reviews key financial policies, systems and procedures and presents reports to the Governing Body.

Braunton School and Community College Academy Trust

Governance Statement (continued)

Better Purchasing - Ensuring value for Money

The Academy takes a prudent approach to expenditure. As a high proportion of the Academy's budget is spent on staffing, the staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academy's development plan.

The Academy uses tendering process to ensure robust contracts for key suppliers and services are obtained.

For purchases above £2,500, but below the tender limit, 3 written quotes are required.

The Academy regularly benchmarks financial performance against other Academy Trusts to demonstrate that the Trust provides good value for money.

Maximising Income Generation

The Academy explores every opportunity to generate income through:

- Maximising opportunities to generate income through the hire of the site.
- Developing a 'sharper' marketing strategy to maintain student numbers in an increasingly competitive climate.

During the year, the Academy was successful in obtaining the following grants:

- Ministry Of Defence to support service children.
- School Enterprise Grant from Devon County Council

Reviewing Controls and Managing Risks

Budget holders, management and governors receive regular budget reports which are scrutinised to ensure the most effective use of resources in meeting with the objectives of the Academy.

There is continuous review of internal controls and the development of robust systems to manage risk. The risk register is reviewed on a regular basis. Insurance levels are reviewed annually and used cost-effectively to manage risks.

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

The governors have determined that an appropriate level of free reserves should be maintained. 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 and to plan for future capital projects.

The Academy ensures that all surplus cash balances is invested in interest bearing accounts to maximise the interest earning potential. All Investment decisions are undertaken in line with the Academy's Investment Policy Statement.

Braunton School and Community College Academy Trust

Governance Statement (continued)

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 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 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 board of trustees;
- 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 board of trustees has considered the need for a specific internal control function and has appointed R Willcocks as internal auditor.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of Control Account/bank reconciliations

Internal Audit reports are presented to the Finance & Estate Portfolio committee and Governing Body. There was no material control or other issues reported by the Internal Auditor to date.

Braunton School and Community College Academy Trust

Governance Statement (continued)

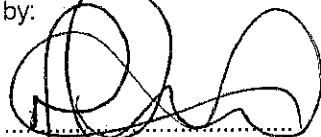
Review of effectiveness

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:

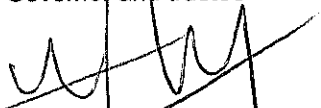
- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 13.12.16 and signed on its behalf by:



Mr M Cammack
Accounting officer
Governor and trustee



Mr M Juby
Governor and trustee

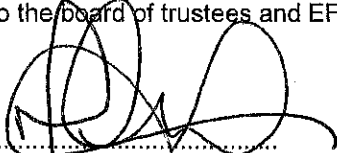
Braunton School and Community College Academy Trust

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 Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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



.....
Mr M Cammack
Accounting officer

Date: 13th Dec 2016

Braunton School and Community College Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are 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 published 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 of trustees on 13.12.16..... and signed on its behalf by:

.....
Mr M Juby
Governor and trustee

Braunton School and Community College Academy Trust

Independent Auditor's Report on the Financial Statements 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 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of Trustees 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 Annual 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 2016 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 Academies Accounts Direction 2015 to 2016; 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.

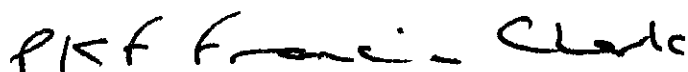
Braunton School and Community College Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Braunton School and Community College Academy Trust (continued)

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 PKF Francis Clark, Statutory Auditor

Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Date: 19.12.2016

Braunton School and Community College Academy Trust

Independent Reporting Accountant's Report on Regularity to 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 Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Braunton School and Community College Academy Trust during the period 1 September 2015 to 31 August 2016 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 Braunton School and Community College Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Braunton School and Community College Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Braunton School and Community College Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of Braunton School and Community College Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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.

Conclusion

Braunton School and Community College Academy Trust

Independent Reporting Accountant's Report on Regularity to Braunton School and Community College Academy Trust and the Education Funding Agency (continued)

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Francis Clark

.....
Christopher Bush

For and on behalf of PKF Francis Clark, Chartered Accountants

Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Date: *19.12.2016*
.....

Braunton School and Community College Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restricted Pension Funds £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	-	3,401	630,783	-	634,184
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	4	159,678	3,539,756	-	-	3,699,434
Other trading activities	5	21,565	38,162	-	-	59,727
Investments	6	6,446	434	-	-	6,880
Total		187,689	3,581,753	630,783	-	4,400,225
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	8	167,198	3,468,866	99,715	120,000	3,855,779
Net income/(expenditure)		20,491	112,887	531,068	(120,000)	544,446
Transfers between funds		(565)	(43,165)	43,730	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	22	-	-	-	(1,198,000)	(1,198,000)
Net movement in funds/(deficit)		19,926	69,722	574,798	(1,318,000)	(653,554)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2015		299,879	222,231	8,367,872	(1,327,000)	7,562,982
Total funds/(deficit) carried forward at 31 August 2016		319,805	291,953	8,942,670	(2,645,000)	6,909,428

Braunton School and Community College Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restricted Pension Funds £	Total 2015 £
Income and endowments from:						
Donations and capital grants	3	182	3,275	124,084	-	127,541
<i>Charitable activities:</i>						
Funding for the Academy Trust's educational operations	4	161,488	3,405,435	-	-	3,566,923
Other trading activities	5	20,519	53,091	-	-	73,610
Investments	6	7,662	559	-	-	8,221
Total		189,851	3,462,360	124,084	-	3,776,295
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	8	174,553	3,447,237	98,456	102,000	3,822,246
Net income/(expenditure)		15,298	15,123	25,628	(102,000)	(45,951)
Transfers between funds		5,856	(58,189)	52,333	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	22	-	-	-	17,000	17,000
Net movement in funds/(deficit)		21,154	(43,066)	77,961	(85,000)	(28,951)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2014		278,725	265,297	8,289,911	(1,242,000)	7,591,933
Total funds/(deficit) carried forward at 31 August 2015		299,879	222,231	8,367,872	(1,327,000)	7,562,982

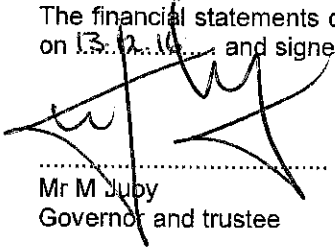
Braunton School and Community College Academy Trust

(Registration number: 7989226)

Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	8,830,781	8,337,509
Current assets			
Debtors	12	284,255	140,005
Cash at bank and in hand		<u>896,265</u>	<u>627,477</u>
		1,180,520	767,482
Creditors: Amounts falling due within one year	13	<u>(456,873)</u>	<u>(215,009)</u>
Net current assets		<u>723,647</u>	<u>552,473</u>
Total assets less current liabilities		<u>9,554,428</u>	<u>8,889,982</u>
Net assets excluding pension liability		9,554,428	8,889,982
Defined benefit pension scheme liability	22	<u>(2,645,000)</u>	<u>(1,327,000)</u>
Total net assets		<u>6,909,428</u>	<u>7,562,982</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		291,953	222,231
Restricted fixed asset fund		8,942,670	8,367,872
Restricted pension fund		<u>(2,645,000)</u>	<u>(1,327,000)</u>
		6,589,623	7,263,103
Unrestricted funds			
Unrestricted general fund		<u>319,805</u>	<u>299,879</u>
Total funds		<u>6,909,428</u>	<u>7,562,982</u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 13.12.16 and signed on their behalf by:



 Mr M Juby
 Governor and trustee

Braunton School and Community College Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	224,112	558,034
Cash flows from investing activities	19	<u>44,676</u>	<u>(625,411)</u>
Change in cash and cash equivalents in the year		268,788	(67,377)
Cash and cash equivalents at 1 September		<u>627,477</u>	<u>694,854</u>
Cash and cash equivalents at 31 August	20	<u>896,265</u>	<u>627,477</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Braunton School and Community College Academy Trust meets the definition of a public benefit entity under FRS 102. These financial statements are the first financial statements of Braunton School and Community College Academy Trust prepared in accordance with FRS 102. Refer to note 24 for more details on the first time adoption and explanation of transition to FRS 102.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies (continued)

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities 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 the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 Academy Trust has provided the goods or services.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies (continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

The value of donated services 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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are 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.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

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

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies (continued)

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.

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 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 quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies (continued)

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 Trustees.

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2016 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 2016.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

3 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	630,783	630,783	124,084
Other donations	3,401	-	3,401	3,457
	<u>3,401</u>	<u>630,783</u>	<u>634,184</u>	<u>127,541</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,199,231	3,199,231	3,091,581
Pupil Premium	-	102,980	102,980	110,656
Other DfE/EFA grants	-	40,468	40,468	41,166
	<u>-</u>	<u>3,342,679</u>	<u>3,342,679</u>	<u>3,243,403</u>
Other government grants				
Local Authority grants	-	103,646	103,646	54,274
Other Government Grant	-	15,235	15,235	32,042
	<u>-</u>	<u>118,881</u>	<u>118,881</u>	<u>86,316</u>
Non-government grants and other income				
Other Grants	6,475	13,973	20,448	28,280
Trip & Catering income	153,203	64,223	217,426	208,924
	<u>159,678</u>	<u>78,196</u>	<u>237,874</u>	<u>237,204</u>
Total grants	<u>159,678</u>	<u>3,539,756</u>	<u>3,699,434</u>	<u>3,566,923</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	10,846	24,030	34,876	39,174
Other income	10,719	14,132	24,851	34,436
	<u>21,565</u>	<u>38,162</u>	<u>59,727</u>	<u>73,610</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposit interest	6,446	434	6,880	8,221

7 Resources expended

	Staff costs £	Non Pay Expenditure Premises £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
Direct costs	2,837,192	-	341,446	3,178,638	3,112,378
Allocated support costs	-	401,300	275,841	677,141	709,868
	<u>2,837,192</u>	<u>401,300</u>	<u>617,287</u>	<u>3,855,779</u>	<u>3,822,246</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Depreciation	99,715	98,456
Operating leases - other leases	13,071	11,619
Fees payable to auditor - audit	<u>8,150</u>	<u>8,000</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

8 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	3,178,638	3,112,378
Support costs - educational operations	<u>677,141</u>	<u>709,868</u>
	<u>3,855,779</u>	<u>3,822,246</u>

	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Depreciation	99,715	99,715	98,456
Technology costs	17,144	17,144	17,835
Premises costs	301,585	301,585	332,346
Other support costs	<u>258,697</u>	<u>258,697</u>	<u>261,231</u>
Total support costs	<u>677,141</u>	<u>677,141</u>	<u>709,868</u>

9 Staff

Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	2,287,154	2,287,919
Social security costs	177,163	159,553
Pension costs	<u>352,430</u>	<u>289,368</u>
	2,816,747	2,736,840
Supply teacher costs	<u>20,445</u>	<u>32,923</u>
	<u>2,837,192</u>	<u>2,769,763</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015: £Nil).

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

9 Staff (continued)

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2016 No	2015 No
Charitable Activities		
Teachers	37	38
Administration and support	57	56
Management	7	7
	<u>101</u>	<u>101</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £423,598 (2015: £423,889).

10 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

Ms P Beevers (Staff Governor):

Remuneration: £5,000 - £10,000 (2015 - £10,000 - £15,000)
Employer's pension contributions: £Nil (2015 - £Nil)

Mrs P Bodimeade (Staff Governor):

Remuneration: £Nil (2015 - £10,000 - £15,000)
Employer's pension contributions: £Nil (2015 - £0 - £5,000)

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

10 Related party transactions - Trustees' remuneration and expenses (continued)

Mr D Liversedge (Staff Governor):

Remuneration: £45,000 - £50,000 (2015 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

Mr M Cammack (Principal and Trustee):

Remuneration: £70,000 - £75,000 (2015 - £80,000 - £85,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £10,000 - £15,000)

Ms C Davenport (Staff Governor):

Remuneration: £Nil (2015 - £10,000 - £15,000)

Employer's pension contributions: £Nil (2015 - £0 - £5,000)

Mr N Butler (Staff Governor):

Remuneration: £35,000 - £40,000 (2015 - £Nil)

Employer's pension contributions: £0 - £5,000 (2015 - £Nil)

Ms C Fisher (Invigilator):

Remuneration: £0 - £5,000 (2015 - £0 - £5,000)

Employer's pension contributions: £Nil (2015 - £Nil)

During the year ended 31 August 2016, travel and subsistence expenses totalling £1,253 (2015 - £1,162) were reimbursed or paid directly to 4 Trustees (2015 - 3).

Other related party transactions involving the Trustees are set out in note 23.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Assets in the course of construction £	Total £
Cost					
At 1 September 2015	8,143,281	380,377	10,333	93,720	8,627,711
Additions	32,475	36,565	-	523,947	592,987
Transfers	93,720	-	-	(93,720)	-
At 31 August 2016	8,269,476	416,942	10,333	523,947	9,220,698
Depreciation					
At 1 September 2015	106,644	173,225	10,333	-	290,202
Charge for the year	47,597	52,118	-	-	99,715
At 31 August 2016	154,241	225,343	10,333	-	389,917
Net book value					
At 31 August 2016	8,115,235	191,599	-	523,947	8,830,781
At 31 August 2015	8,036,637	207,152	-	93,720	8,337,509

The option has been taken to treat the value of property as deemed cost on transition to FRS102.

12 Debtors

	2016 £	2015 £
Trade debtors	2,264	16,002
Prepayments	50,445	87,909
Accrued grant and other income	179,373	25,301
VAT recoverable	52,173	10,793
	<u>284,255</u>	<u>140,005</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

13 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	67,111	57,981
Other taxation and social security	49,260	47,737
Other creditors	15,860	7,884
Pension scheme creditor	41,834	39,630
Accruals	252,883	37,449
Deferred income	29,925	24,328
	<u>456,873</u>	<u>215,009</u>

	2016
	£
Deferred income	
Deferred income at 1 September 2015	24,328
Resources deferred in the period	29,925
Amounts released from previous periods	<u>(24,328)</u>
Deferred income at 31 August 2016	<u>29,925</u>

Deferred income consists of £15,761 parent pay and trip income, £3,085 DCC Supplementary funding and £11,079 rates.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

14 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
GAG	39,322	3,232,339	(3,106,626)	(40,887)	124,148
Other DfE/EFA	-	143,448	(140,449)	(2,999)	-
Local Authority SEN	-	69,038	(69,038)	-	-
Restricted donations	6,850	3,401	(5,585)	(1,641)	3,025
Trips	910	59,954	(53,783)	-	7,081
Trips Comenius	25,310	4,268	(11,912)	-	17,666
Perrigo	4,004	-	(850)	(2,154)	1,000
BLC Redundancy Provision	16,766	-	-	-	16,766
AGP Trading Fund	5,161	18,450	(13,117)	(6,000)	4,494
AGP Sinking Fund	70,000	-	-	6,000	76,000
PEEP Project	3,415	933	(3,778)	-	570
ESA Cup	-	738	(738)	-	-
MOD Grant	31,165	15,234	(31,001)	-	15,398
Tennis Revenue	3,048	4,667	(3,272)	(2,000)	2,443
Tennis Sinking Fund	6,000	-	-	4,000	10,000
NDDC - Athletic Track	4,613	4,000	(1,926)	-	6,687
Athletic Track - Sinking Fund	4,482	400	(760)	2,000	6,122
Other Restricted Funds	1,185	21,732	(22,880)	516	553
School Enterprise Grant	-	3,151	(3,151)	-	-
	<u>222,231</u>	<u>3,581,753</u>	<u>(3,468,866)</u>	<u>(43,165)</u>	<u>291,953</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

14 Funds (continued)

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted fixed asset funds					
Big Lottery	9,534	-	(199)	-	9,335
Perrigo	2,272	-	(838)	2,156	3,590
Assets Purchased from GAG	127,931	-	(30,136)	29,934	127,729
Multi Use Games Area	12,000	-	(1,501)	-	10,499
DfE/EFA Funded	972,629	15,053	(22,772)	-	964,910
EDF Solar Panels	16,784	-	(1,900)	-	14,884
Assets on Conversion	7,109,511	-	(38,742)	-	7,070,769
Quad Toilet Refurbishment	109,031	-	(2,181)	-	106,850
Assets Transferred from PP	8,180	-	(862)	2,999	10,317
Sedao	-	-	-	1,641	1,641
Quad refurbishment	-	615,730	-	-	615,730
Canopy	-	-	(584)	7,000	6,416
	<u>8,367,872</u>	<u>630,783</u>	<u>(99,715)</u>	<u>43,730</u>	<u>8,942,670</u>
Restricted pension funds					
Pension	<u>(1,327,000)</u>	<u>-</u>	<u>(120,000)</u>	<u>(1,198,000)</u>	<u>(2,645,000)</u>
Total restricted funds	7,263,103	4,212,536	(3,688,581)	(1,197,435)	6,589,623
Unrestricted funds					
Unrestricted general funds	<u>299,879</u>	<u>187,689</u>	<u>(167,198)</u>	<u>(565)</u>	<u>319,805</u>
Total funds	<u>7,562,982</u>	<u>4,400,225</u>	<u>(3,855,779)</u>	<u>(1,198,000)</u>	<u>6,909,428</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

14 Funds (continued)

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.

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.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

14 Funds (continued)

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.

Peep Project

Pupil and Employer Engagement Project funded through North Devon Plus.

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.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

14 Funds (continued)

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.

School enterprise grant

Devon County Council funds were received towards the Pi stem technology project in the year.

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.

CIF -Toilet Repairs & Refurbishment

Urgent repairs, refurbishment and improvements to the Quadrangle Toilets building, including enclosing the open corridor link to make them 'indoor' rather than 'outdoor' toilets. The improvements also converted the existing girls toilets into a joint male and female facility.

CIF -Quad refurbishment

A project for the replacement of the heating system and other M & E installations together with roofing renewals, fascias, window replacements and drainage repairs.

Canopy

A new canopy for outside to protect the children, funded by friends of Braunton school TA.

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 2016

15 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	8,830,781	8,830,781
Current assets	325,895	480,046	374,579	1,180,520
Current liabilities	(6,090)	(188,093)	(262,690)	(456,873)
Pension scheme liability	-	(2,645,000)	-	(2,645,000)
Total net assets	<u>319,805</u>	<u>(2,353,047)</u>	<u>8,942,670</u>	<u>6,909,428</u>

16 Capital commitments

	2016 £
Contracted for, but not provided in the financial statements	<u>84,147</u>

17 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	13,051	13,071
Amounts due between one and five years	<u>27,120</u>	<u>40,171</u>
	<u>40,171</u>	<u>53,242</u>

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

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

	2016 £	2015 £
Net income/(expenditure)	544,446	(45,951)
Depreciation	99,715	98,456
Capital grants from DfE and other capital income	(630,783)	(124,084)
Interest receivable	(6,880)	(8,221)
(Increase)/decrease in debtors	(144,250)	502,050
Increase in creditors	241,864	33,784
Defined benefit pension costs less contributions payable	70,000	53,000
Defined benefit pension finance cost	50,000	24,000
Defined benefit pension adjustment under FRS 102	-	25,000
Net cash provided by Operating Activities	<u>224,112</u>	<u>558,034</u>

19 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	6,880	8,221
Purchase of tangible fixed assets	(592,987)	(761,520)
Proceeds from sale of tangible fixed assets	-	3,804
Capital grants from DfE/EFA	<u>630,783</u>	<u>124,084</u>
Net cash provided by/(used in) investing activities	<u>44,676</u>	<u>(625,411)</u>

20 Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	<u>896,265</u>	<u>627,477</u>
Total cash and cash equivalents	<u>896,265</u>	<u>627,477</u>

21 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Braunton School and Community College Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

22 Pension and similar obligations

The Academy Trust'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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £(41,834) (2015 - £(39,630)) were payable to the schemes at 31 August 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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Notes to the Financial Statements for the Year Ended 31 August 2016

22 Pension and similar obligations (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £244,075 (2015: £210,490).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

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 2016 was £155,000 (2015 - £144,000), of which employer's contributions totalled £119,000 (2015 - £112,000) and employees' contributions totalled £36,000 (2015 - £32,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.50
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.20	4.00
Inflation assumptions (CPI)	2.30	2.70
RPI increases	<u>3.20</u>	<u>3.60</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 2016	At 31 August 2015
Retiring today		
Males retiring today	22.90	22.80
Females retiring today	26.20	26.10
Retiring in 20 years		
Males retiring in 20 years	25.20	25.10
Females retiring in 20 years	<u>28.60</u>	<u>28.40</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2016

22 Pension and similar obligations (continued)

	At 31 August 2016 £	At 31 August 2015 £
Equities	956,000	767,000
Gilts	51,000	66,000
Other bonds	43,000	66,000
Property	161,000	144,000
Cash	28,000	31,000
Other	390,000	265,000
Total market value of assets	1,629,000	1,339,000
Present value of scheme liabilities - funded	(4,274,000)	(2,666,000)
Deficit in the scheme	(2,645,000)	(1,327,000)

The actual return on scheme assets was £192,000 (2015 - (£3,000)).

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	(188,000)	(165,000)
Net interest cost	(50,000)	(49,000)
Administration cost	(1,000)	-
Total operating charge	(239,000)	(214,000)

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Notes to the Financial Statements for the Year Ended 31 August 2016

22 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2016 £	2015 £
At 1 September	2,666,000	2,341,000
Current service cost	188,000	165,000
Interest cost	106,000	97,000
Employee contributions	36,000	32,000
Actuarial losses/(gains)	1,334,000	(68,000)
Benefits paid	(56,000)	99,000
At 31 August	<u>4,274,000</u>	<u>2,666,000</u>

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

	2016 £	2015 £
At 1 September	1,339,000	1,099,000
Interest income	56,000	48,000
Return on plan assets (excluding net interest on the net defined pension liability)	136,000	(51,000)
Employer contributions	119,000	112,000
Employee contributions	36,000	32,000
Benefits paid	(56,000)	99,000
Plan introductions, benefit changes, curtailments and settlements	(1,000)	-
At 31 August	<u>1,629,000</u>	<u>1,339,000</u>

23 Related party transactions

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

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Notes to the Financial Statements for the Year Ended 31 August 2016

23 Related party transactions (continued)

During the year the Academy Trust made the following related party transactions:

Ann Juby

(Governor's Spouse)

Payments totalling £Nil (2015 £614) 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 (2015 - £Nil).

Patricia Beevers

(Governor and Trustee)

£62 was contributed towards a leaving present for Patricia Beevers for 34 years service to the school.. At the balance sheet date the amount due to Patricia Beevers was £Nil (2015 - £Nil).

Claire Fisher

(Governor and Trustee)

£225 was paid to Claire Fisher for invigilating services. At the balance sheet date the amount due to Claire Fisher was £Nil (2015 - £Nil).

24 Transition to FRS 102

First time adoption of FRS102

These financial statements are the first financial statements of Braunton School and Community College Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Braunton School and Community College Academy Trust for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31/08/2015 and the date of transition to FRS 102 and SORP 2015 was therefore 01/09/2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £Nil and increase the credit/debit in other recognised gains and losses in the SOFA by an equivalent amount.