

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Members	J Bishop M Whitelock
Trustees	J Bishop, Head Teacher ^{1,2,3,4} M Whitelock ^{1,2} H Massey, Chair ^{2,3,4} K Dyson ^{2,3,4} S Wright (appointed 22 October 2013) ^{1,2} R Billen ² V Hampshire ³ C Pepper ^{3,4} R Brine (resigned 9 September 2014) ^{1,3} F Knight (resigned 31 August 2014) ¹ C Bradley ^{2,4} P Davies (resigned 1 October 2013) ^{1,2,3} T Maguire (resigned 22 October 2013) ¹ Finance and premises sub-committee ² Personnel sub-committee ³ Curriculum ⁴ Admissions and ethos
Company registered number	07339625
Principal and Registered office	School Lane Exeter Devon EX5 3JG
Company secretary	F Binns
Chief executive officer	J Bishop
Senior management team	J Bishop, Headteacher D James, Deputy Head N Rothery, Assistant Head G Newbery, Business Manager T Cavallo, SENCO A Pulfer, Senior Teacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds TSB 234 High Street Exeter Devon EX4 3NL

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

Administrative details (continued)

Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP
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**BROADCLYST PRIMARY ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014**

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

The Trust operates an academy for pupils aged 2 to 11 in Broadclyst, Exeter. It has a pupil capacity of 450 (plus a 30 place Nursery) and had a roll of 434 (plus 54 Nursery children) in the school census on 31 January 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy 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.

The Trustees of Broadclyst Primary Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trustees' Indemnities

The Academy has Professional Indemnity insurance for Trustees and Officers Liability via Zurich Insurance. The limit of indemnity is £2,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

Trustees' term of office is four years but they are eligible for re-election at the meeting at which they retire. At the first meeting of the year the Trustees will elect a Chair and a Vice Chair.

Policies and Procedures adopted for the Induction and Training of Trustees

During the financial year under review the Trustees held six full Trustees' meetings and twenty two Trustees' committee meetings. The training and induction provided for new Trustees will depend on their existing experience.

The Academy buys the services of Browne Jacobson Solicitors who provide regular training events and also will provide bespoke training for Governing Bodies on request. Trustees are given access to an on line Trustee portal on the school's site where they can obtain copies of policies, improvement plans, minutes, and other documents that they will need to undertake their role as Trustees. All Trustees also have access to an online specialist information depository aimed solely at school Trustees.

Organisational Structure

From the outset a new management structure was introduced to ensure the effective and efficient running of the Academy. This consists of three levels: the Trustees; the Leadership Team and those with specific leadership responsibilities. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting a development plan and budget; monitoring the Academy through close liaison with and reporting from the Headteacher and through personal observations by visits to the school; making major decisions about the strategic direction of the Academy including capital

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

expenditure and involvement in staff appointments in consultation with the Headteacher.

The Trustees are appointed in line with Articles 50 to 58 within the Memorandum of Association. When appointing new Trustees the Governing Body recognises the need to have a wide range of skills amongst the Trustees.

The Leadership Team is led by the Headteacher and he is supported by the Deputy Head, an Assistant Head, the Business Manager, SENCO and Senior Teacher. These senior leaders manage the Academy implementing the policies agreed by the Trustees and reporting back to them on progress. The Headteacher, assisted by other key senior staff, is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

Heatree Activity Centre is a related party as Mr Bishop, a Trustee of the Academy is also a Trustee of the centre. The transactions with Heatree Activity Centre are undertaken at arm's length and are disclosed in these financial statements.

There are no other related parties which either control or significantly influence the decisions and operations of Broadclyst Primary Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects and activities of the charitable company are the operation of the Academy known as Broadclyst Community Primary School is to provide a differentiated free education for students between the ages of 2 and 11. In setting the objectives and planning the activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31st August 2014 are summarised below:

- to deliver high quality education and care to all students within the Academy.
- to maintain and enhance the standards and achievement of all pupils.
- to include and meet the needs of all pupils whatever their educational need.
- to work successfully in partnership with a range of different stakeholders that support the Academy's high achievements.
- to further develop the business management of the school to ensure value for money and good financial health.
- to review and enrich the curriculum to provide a broad and balanced curriculum.
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- to restructure leadership team to facilitate strategic projects such as becoming a teaching school.
- to develop the Academy site so that it enables pupils to achieve their full potential.
- to foster partnerships with Universities, teacher training institutions and business to add value to opportunities offered by the Academy.

The Academy's main strategy is to:

"Create and promote a challenging learning environment that inspires children to achieve high standards and become lifelong learners. The school has high expectations, builds children's confidence, and ensures success for all. We seek to foster creative thinkers, inquisitive questioners, and avid problem solvers with flexible skills, who are successful communicators. Children learn to collaborate effectively at all levels, including working with

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

our international partners and are able to adapt to the needs of a diverse and fast changing society."

The Academy has reviewed its development plan and is in year three of five year plan, which details how it intends to achieve the aims and objectives. The activities provided include:

- teaching and learning opportunities to ensure each child achieves to their full potential.
- training opportunities for all staff.
- a programme of enrichment and extension activities for all students including:
 - o Swimming teaching
 - o Expanding music provision across the school
 - o Outdoor Education – Forest school, Allotment, Residential Activities
 - o A rich variety of after school clubs
 - o Provision of wrap-around care by the introduction of a Breakfast Club & extended after school care
 - o Extending existing strong collaborative partnerships with other schools and organisations.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission'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.

STRATEGIC REPORT

Achievements and Performance

During its fourth year the Academy has again raised the attainment levels and by the end of KS2 the results put the Academy into the top few percent of schools in the country. We were especially pleased with our narrowing of the gap results.

The Academy continued to work alongside our appointed building contractor during the ongoing construction of the £1.7m new hall, kitchen, multi use area, changing rooms and café. The attention to detail and continual strive for value for money will mean an outstanding, high specification, thoroughly state of the art building.

To ensure that standards are maintained year on year the Academy operates a programme of target setting, and curriculum monitoring and review that feed into the Academy development plan. The Academy also ensures that there are opportunities to share good practice and receive good CPD matched to the needs of staff and the objectives of the Academy.

Following the conversion of the previous pre-school to a school led Nursery in September 2013 we have spent the last period developing a high quality educational offer for children aged 2 and above. We have invested a significant amount of money to provide a fully refurbished nursery building and external areas. We continued as part of a national DfE pilot looking at the education of two year olds.

During the last 12 months, the Academy has continued to make considerable investment in ICT including the purchase of new PCs, iPads and MS Surfaces for use by pupils and staff. In March we won a global Microsoft competition where we pitched an idea to set up the "Global Enterprise Challenge". The £15,000 prize money will be used to fund the involvement of 30 schools from 20 different countries across the world.

Other achievements include the introduction of a very successful sports and PE programme for Year 5 and 6 children, partly funded by the government's PE grant, which sees the children enjoying a wide variety of opportunities outside the "normal" offering. Golf, climbing, sailing, and mountain biking now all feature in the broad programme of sporting activities.

We also are very pleased with the introduction of our modern foreign languages programme, with Spanish being at the core of our initial offering. We are also now using Latin as a tool for older children to further understand the fundamental background to the English language.

The school has maintained two minibuses and a people carrier to ensure that classes can be taken off site to

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**TRUSTEES' REPORT (continued)
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enrich their learning experience. The Academy has operated a bus service collecting pupils from the local area reducing the number of cars on the road each day. Overall a big investment has been made into the learning environment that many children will benefit from.

The Academy has maintained its strong links with Exeter, Plymouth and Nottingham Universities, with Microsoft, the National Trust and Exeter College. The Academy has continued to develop its intentional reputation for innovation in ICT and has advised LA's and governments from across the UK in their IT strategies.

The Academy has continued to include a diverse range of children with very specific educational needs working successfully with Devon County Council to place these children within the Academy and support their individual needs within a mainstream setting.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2014 were 434 (at January). An identified dip in reception numbers for September 2015 would have seen this number decrease, so a dedicated effort to ensure all other year groups have the maximum number of children has been actioned.

The following KPIs were set at the start of the year:

Whole School / Leadership	Target	Achievement
League Tables	Remain in the top 250 schools nationwide for VA	Achieved
KS2 SATS results	Maintain consistently high KS2 SATs results	Maintained
	Achieve over 10% of children at L5 in Maths	19% achieved
KS1 SATS results	Continue improved results	Increased
Y1 Phonics	Achieve 90% or above pass rate	Achieved
Physical	Improve provision for PE and drama by providing appropriate facilities: Build new hall to accommodate mixed use	New hall to open January 2015
Leadership Team	Build capacity of Leadership Team	SENCO and Senior Teacher included in SLT
Collaboration	Build national and international reputation and opportunities for collaboration	Won £15,000 Microsoft prize to lead international enterprise project. Achieved link visits with Ethiopia and India

Teaching - Raising Standards	Target	Achievement
Performance Management	Introduce new PM system	New system in place. Performance Related pay implemented
Assessment	Introduce range of assessment tools and target setting system to support personalised learning	The Educator, CAT tests, NGRT, SWST and PASS introduced
Health of the subject	Introduce amended process and relate to PM targets	Achieved
Reading	Improve reading culture through Read Write Inc. structured phonics scheme and Accelerated Reader.	Achieved

Behaviour & Safety	Target	Achievement
Attendance	Increase from 95.3%	Achieved 96.8%

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

Pupil's Views	Introduce Student Voice to allow pupils to have their say	Achieved 96.8%
Parent's Views	Introduce Student Voice to allow pupils to have their say	Achieved half termly
Discipline	Maintain record of zero exclusions	Achieved

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the 12 months ended 31 August 2014 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Academy also receives grants from Devon County Council for Individually Assigned Resources, to support students who have a Statement of Educational Need with associated funding allocation. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2014, total expenditure of £2,137,350 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The surplus was £203,284 (excluding fixed asset funds and actuarial losses) for the year ended 31 August 2014.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams; the need to match income with commitments; and the nature of the reserves. The Trustees aim is to set aside reserves of at least £30k to cover unexpected costs with possibly higher carry forward reserves for specific capital projects.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Investment Policy

The Business Manager has begun discussions with the Academy Bank Manager regarding cash flow and investment opportunities and will make recommendations to Trustees on investment proposals.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major 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 principal 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 82% 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.

Failures 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,

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

etc. The Trustees 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 applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees 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 upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit 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.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure. Regular update reports are also given at all Full Trustees' meeting and Finance Committee Meetings.

The Trustees regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy aims to augment our links with other schools locally and nationally in order to continue to improve. We will continue to foster our partnerships with Universities, including Exeter University, Plymouth University and Nottingham University and also with commercial companies including Microsoft.

We will continue to use our new status as a Microsoft Mentor School to further enrich the provision here at the Academy but equally as important to help develop the ICT provision in other like minded schools. We will use the winnings from the Microsoft competition to launch the Global Enterprise Challenge around the world.

The Academy will further develop its teaching school and we anticipate a growth in our School Direct training programme. The possibility of becoming an Academy Sponsor is likely to become a reality and in the meantime we will complete a conversion to a multi academy trust. The Academy will look to further its application to open a new free school in the local area.

The next period will see the opening of our new hall and kitchen in January 2015, and we are very excited about using the brand new facilities. We are introducing a "family dining" concept where children will be served at their table.

We are looking to increase the provision offered by our school-led Nursery, and are investigating the possibility of offering more places per session now that the building work is complete.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 22/12/14..... and signed on the board's behalf by:



**H Massey
Chair of Trustees**

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Broadclyst Primary 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 Trustees' responsibilities statement. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Bishop, Head Teacher	6	6
M Whitelock	4	6
H Massey, Chair	6	6
K Dyson	6	6
S Wright	6	6
R Billen	5	6
V Hampshire	3	6
C Pepper	6	6
R Brine	5	6
F Knight	3	0
C Bradley	6	0

Governance reviews

During the year, governors have paid particular attention to matters including:

- The transfer of staff and responsibilities from the previous pre-school
- Formulation of the Trusts applications for sponsorship status, teaching school and the running of a free school
- The introduction of an appraisal and performance management process for support staff
- The ongoing capital maintenance works as a result of the successful ACMF bid

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.

Major issues will be referred to the full governing body for ratification.

The committee is authorised:

- To consider the academy's indicative funding, notified annually by the EFA, and to assess its implications for the academy, in consultation with the headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body.
- To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year.

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GOVERNANCE STATEMENT (continued)

- To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the headteacher, with the stated and agreed aims and objectives of the academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the staffing/remuneration and curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the governing body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the governing body to parents and for filing in accordance with Companies Act and Charity Commission requirements
- To receive auditors' reports and to recommend to the full governing body action as appropriate in response to audit findings.
- To recommend to the full governing body the appointment or reappointment of the auditors of the academy.

During the year the committee played a major role in the introduction of performance related pay for support staff, as well as the financial and premises related impact of taking on the school-led Nursery.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bishop, Head Teacher	5	5
R Brine	3	5
M Whitelock	3	5
S Wright	5	5
F Knight	4	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Broadclyst Primary Academy Trust for the period 1st September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their planned schedule of work as planned. No significant issues have arisen as a result of their review work.

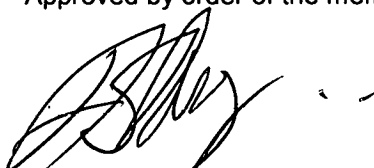
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises 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 22/12/19 and signed on its behalf, by:



H Massey
Chair of Trustees



J Bishop
Accounting Officer

**BROADCLYST PRIMARY ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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.



J Bishop
Accounting Officer

Date: 22/12/19

**BROADCLYST PRIMARY ACADEMY TRUST
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees (who act as governors of Broadclyst Primary Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 and signed on its behalf by:



J Bishop
Accounting Officer

Date: 22/12/14

**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADCLYST PRIMARY ACADEMY TRUST

We have audited the financial statements of Broadclyst Primary Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADCLYST PRIMARY ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Tim Borton FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 22/12/14

**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 02 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Broadclyst Primary Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Broadclyst Primary Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Broadclyst Primary Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Broadclyst Primary Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BROADCLYST PRIMARY ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Broadclyst Primary Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2010, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

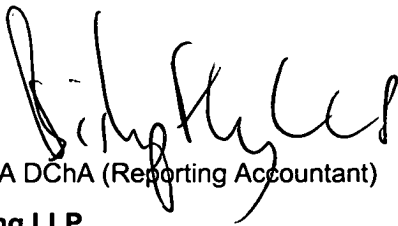
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS
Date: 22/12/14

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer of Nursery building	2	-	63,217	-	63,217	-
Other voluntary income	2	2,679	10,113	-	12,792	32,172
Activities for generating funds	3	25,360	-	-	25,360	18,021
Investment income	4	718	-	-	718	339
Incoming resources from charitable activities		331,138	1,880,357	1,815,023	4,026,518	2,026,630
TOTAL INCOMING RESOURCES		359,895	1,953,687	1,815,023	4,128,605	2,077,162
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		9,673	-	-	9,673	2,193
Charitable activities		215,965	1,741,209	148,115	2,105,289	2,045,947
Governance costs	9	-	22,388	-	22,388	23,380
TOTAL RESOURCES EXPENDED	6	225,638	1,763,597	148,115	2,137,350	2,071,520
NET INCOMING RESOURCES BEFORE TRANSFERS		134,257	190,090	1,666,908	1,991,255	5,642
Transfers between Funds	18	-	(121,063)	121,063	-	-
NET INCOME FOR THE YEAR		134,257	69,027	1,787,971	1,991,255	5,642
Actuarial gains and losses on defined benefit pension schemes		-	(87,000)	-	(87,000)	(24,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		134,257	(17,973)	1,787,971	1,904,255	(18,358)
Total funds at 1 September		42,490	(435,191)	3,208,579	2,815,878	2,834,236
TOTAL FUNDS AT 31 AUGUST		176,747	(453,164)	4,996,550	4,720,133	2,815,878

All activities relate to continuing operations.

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

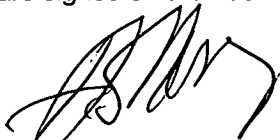
The notes on pages 22 to 43 form part of these financial statements.

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07339625

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		4,121,221		3,174,080
CURRENT ASSETS					
Debtors	15	508,219		76,240	
Cash at bank and in hand		1,042,518		374,798	
		<u>1,550,737</u>		<u>451,038</u>	
CREDITORS: amounts falling due within one year	16	(291,825)		(269,826)	
NET CURRENT ASSETS			<u>1,258,912</u>		<u>181,212</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,380,133</u>		<u>3,355,292</u>
CREDITORS: amounts falling due after more than one year	17		-		(13,414)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>5,380,133</u>		<u>3,341,878</u>
Defined benefit pension scheme liability	24	(660,000)		(526,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>4,720,133</u></u>		<u><u>2,815,878</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	18	143,619		90,809	
Fixed asset funds	18	5,059,767		3,208,579	
Restricted funds excluding pension liability		<u>5,203,386</u>		<u>3,299,388</u>	
Pension reserve		<u>(660,000)</u>		<u>(526,000)</u>	
Total restricted funds			<u>4,543,386</u>		<u>2,773,388</u>
Unrestricted funds	18		<u>176,747</u>		<u>42,490</u>
TOTAL FUNDS			<u><u>4,720,133</u></u>		<u><u>2,815,878</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 22/12/14 and are signed on their behalf, by:



H Massey
Chair of Trustees

The notes on pages 22 to 43 form part of these financial statements.

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	140,298	133,361
Returns on investments and servicing of finance	21	6,518	339
Capital expenditure and financial investment	21	549,197	65,812
CASH INFLOW BEFORE FINANCING		696,013	199,512
Financing	21	(28,293)	(54,893)
INCREASE IN CASH IN THE YEAR		667,720	144,619

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

	2014 £	2013 £
Increase in cash in the year	667,720	144,619
Cash outflow from decrease in debt and lease financing	28,293	54,893
MOVEMENT IN NET FUNDS IN THE YEAR	696,013	199,512
Net funds at 1 September 2013	333,089	133,577
NET FUNDS AT 31 AUGUST 2014	1,029,102	333,089

The notes on pages 22 to 43 form part of these financial statements.

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

1.4 RESOURCES EXPENDED

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2014.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line/term of the lease
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

1.7 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 OPERATING LEASES

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

1.9 TAXATION

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

1.10 PENSIONS

**BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer of Nursery building	-	63,217	63,217	-
Donations	2,679	10,113	12,792	32,172
Voluntary income	2,679	73,330	76,009	32,172

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
External Catering	11,423	-	11,423	5,243
Other	13,937	-	13,937	12,778
	<u>25,360</u>	<u>-</u>	<u>25,360</u>	<u>18,021</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	718	-	718	339
	<u>718</u>	<u>-</u>	<u>718</u>	<u>339</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Education	141,768	3,695,380	3,837,148	2,026,630
Nursery	189,370	-	189,370	-
	<u>331,138</u>	<u>3,695,380</u>	<u>4,026,518</u>	<u>2,026,630</u>

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
Capital Grants	-	1,815,023	1,815,023	148,629
General Annual Grant	-	1,565,688	1,565,688	1,516,148
Other DfE/EFA grants	-	150,371	150,371	59,557
	-	3,531,082	3,531,082	1,724,334
Other Government grants				
High Needs	-	94,856	94,856	142,585
Other Government grants non capital	-	52,439	52,439	44,593
	-	147,295	147,295	187,178
Other Academy income				
Internal catering income	37,618	-	37,618	49,442
Income for hosting trainee teachers	15,701	-	15,701	7,335
Sales to students	22,644	-	22,644	18,512
Other	65,805	17,003	82,808	39,829
	141,768	17,003	158,771	115,118
	141,768	3,695,380	3,837,148	2,026,630

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other	2014	2013
	£	2014	2014	£	£
		£	£		
Costs of activities for generating funds	-	-	9,673	9,673	2,193
COSTS OF GENERATING FUNDS	-	-	9,673	9,673	2,193
Education	1,090,873	137,289	276,453	1,504,615	1,414,270
Nursery	84,836	5,203	11,503	101,542	-
Support costs - Education	166,249	132,718	198,057	497,024	631,677
Support costs - Nursery	1,319	649	140	2,108	-
CHARITABLE ACTIVITIES	1,343,277	275,859	486,153	2,105,289	2,045,947
GOVERNANCE	-	-	22,388	22,388	23,380
	1,343,277	275,859	518,214	2,137,350	2,071,520

7. DIRECT COSTS

	Education	Nursery	Total	Total
	£	£	2014	2013
			£	£
Pension finance costs	19,000	-	19,000	12,000
Educational supplies	86,239	11,396	97,635	98,813
Staff development	20,713	-	20,713	11,669
Educational trips	63,551	107	63,658	37,462
Supply teachers	18,481	-	18,481	11,874
Technology costs	95,915	-	95,915	23,373
Wages and salaries	874,871	74,879	949,750	862,102
National insurance	50,739	2,703	53,442	51,061
Pension cost	146,782	7,254	154,036	150,461
Depreciation	128,324	5,203	133,527	155,455
	1,504,615	101,542	1,606,157	1,414,270

BROADCLYST PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. SUPPORT COSTS

	Education £	Nursery £	Total 2014 £	Total 2013 £
Educational supplies	12,640	16	12,656	-
Other costs	-	-	-	2,784
Recruitment and other staff costs	22,372	-	22,372	6,090
Maintenance of premises and equipment	47,045	(1,150)	45,895	40,038
Cleaning	32,720	74	32,794	16,399
Rent and rates	22,985	1,012	23,997	20,215
Heat and light	19,951	713	20,664	35,637
Insurance	25,757	-	25,757	31,730
Security and transport	18,441	-	18,441	14,557
Catering	70,814	-	70,814	93,443
Technology costs	5,908	-	5,908	38,840
Office overheads	8,858	124	8,982	36,473
Legal and professional	17,057	-	17,057	4,947
Bank interest and charges	6,436	-	6,436	12,671
(Profit) / Loss on disposal of fixed assets	-	-	-	126,429
Wages and salaries	139,302	1,319	140,621	110,649
National insurance	7,926	-	7,926	6,710
Pension cost	19,021	-	19,021	16,792
Depreciation	19,791	-	19,791	17,273
	<u>497,024</u>	<u>2,108</u>	<u>499,132</u>	<u>631,677</u>

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	4,500	4,500	4,375
Auditors' non audit costs	-	9,388	9,388	10,450
Legal and Professional	-	8,500	8,500	8,555
	<u>-</u>	<u>22,388</u>	<u>22,388</u>	<u>23,380</u>

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10. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	125,025	117,835
- held under finance leases	28,293	54,893
Auditors' remuneration	4,500	4,375
Auditors' remuneration - non-audit	9,388	10,450
Operating lease rentals:		
- other operating leases	51,260	21,371
Loss on disposal of fixed assets	-	126,429
	<u> </u>	<u> </u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,087,053	972,751
Social security costs	61,368	57,771
Other pension costs (Note 24)	173,057	167,253
	<u>1,321,478</u>	<u>1,197,775</u>
Supply teacher costs	18,481	11,874
Staff restructuring costs	3,318	-
	<u>1,343,277</u>	<u>1,209,649</u>

b. Staff severance payments

Included within staff restructuring costs are non statutory severance payments totalling £3,318 (2013: £nil)

c. Staff numbers

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

	2014 No.	2013 No.
Teachers	16	16
Administration and support	25	23
Management	4	4
	<u>45</u>	<u>43</u>

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11. STAFF (continued)

d. Higher paid staff

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

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

The above employee participated in the Teachers Pension Scheme. During the year, pension contributions for this member of staff amounted to £9,627 (2013: £9,532).

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2013: 4) in respect of defined benefit pension schemes.

During the year, no Trustees received any reimbursement of expenses (2013: £NIL).

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration, which includes pension contributions was as follows: J Bishop £75,000 - £80,000 (2013: £75,000 - £80,000); F Knight £10,000 - £15,000 (2013: £10,000 - £15,000); V Hampshire £30,000 - £35,000 (2013: £10,000 to £15,000).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £762 (2013: £762). The cost of this insurance is included in the total insurance cost.

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14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2013	3,190,826	16,160	83,606	427,752	3,718,344
Additions	1,009,906	-	18,420	72,133	1,100,459
At 31 August 2014	4,200,732	16,160	102,026	499,885	4,818,803
DEPRECIATION					
At 1 September 2013	142,324	7,070	53,243	341,627	544,264
Charge for the year	56,513	2,273	16,078	78,454	153,318
At 31 August 2014	198,837	9,343	69,321	420,081	697,582
NET BOOK VALUE					
At 31 August 2014	4,001,895	6,817	32,705	79,804	4,121,221
At 31 August 2013	3,048,502	9,090	30,363	86,125	3,174,080

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Computer equipment	13,416	41,709

15. DEBTORS

	2014 £	2013 £
Trade debtors	5,874	1,354
Other debtors	281,033	35,158
Prepayments and accrued income	221,312	39,728
	508,219	76,240

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16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	13,416	28,295
Trade creditors	23,790	172,436
Other taxation and social security	18,459	21,069
Other creditors	17,178	19,242
Accruals and deferred income	218,982	28,784
	<u>291,825</u>	<u>269,826</u>

DEFERRED INCOME

Deferred income at 1 September 2013	3,348
Resources deferred during the year	114,575
Amounts released from previous years	(3,348)
Deferred income at 31 August 2014	<u>114,575</u>

At the balance sheet date the academy was holding funds received in advance for Universal Infant Free School Meals funding, other educational funding from the EFA and music tuition income.

17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	-	13,414

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	-	13,414

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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	42,490	359,895	(220,435)	(83,907)	-	98,043
Unrestricted fixed assets	-	-	(5,203)	83,907	-	78,704
	<u>42,490</u>	<u>359,895</u>	<u>(225,638)</u>	<u>-</u>	<u>-</u>	<u>176,747</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	90,809	1,565,688	(1,478,583)	(121,063)	-	56,851
Special needs funding	-	94,856	(94,856)	-	-	-
Pupil premium	-	70,491	(70,491)	-	-	-
School sponsor grant	-	112,000	(42,000)	-	-	70,000
Educational visits	-	10,113	(10,113)	-	-	-
Other restricted funds	-	37,322	(20,554)	-	-	16,768
Pension reserve	(526,000)	-	(47,000)	-	(87,000)	(660,000)
	<u>(435,191)</u>	<u>1,890,470</u>	<u>(1,763,597)</u>	<u>(121,063)</u>	<u>(87,000)</u>	<u>(516,381)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,762,778	-	(82,608)	34,134	-	2,714,304
Fixed assets purchased from GAG and other restricted funds	256,093	63,217	(64,471)	86,929	-	341,768
Devolved Formula Capital Grants	25,949	8,905	(530)	-	-	34,324
Academies Capital Maintenance Fund grants	163,759	1,806,118	(506)	-	-	1,969,371
	<u>3,208,579</u>	<u>1,878,240</u>	<u>(148,115)</u>	<u>121,063</u>	<u>-</u>	<u>5,059,767</u>
Total restricted funds	<u>2,773,388</u>	<u>3,768,710</u>	<u>(1,911,712)</u>	<u>-</u>	<u>(87,000)</u>	<u>4,543,386</u>
Total of funds	<u>2,815,878</u>	<u>4,128,605</u>	<u>(2,137,350)</u>	<u>-</u>	<u>(87,000)</u>	<u>4,720,133</u>

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

Restricted Funds

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18. STATEMENT OF FUNDS (continued)

General Annual Grant (GAG) - This fund includes income from the EFA which is to be used for the running costs of the academy, including education and support costs.

High Needs funding - This is a grant received from the local authority towards the costs of providing teaching for pupils with special educational needs.

Pupil premium - This funding is for additional support for those pupils who qualify for free school meals.

Teaching school building capacity grant - This grant was received to enable the academy to undertake the necessary work required to build the school's capacity to deliver the requirements of a teaching school which would include overseeing and supporting under performing schools in the local area.

Pension reserve - This fund represents the pension deficit for Local Government Pension Scheme (LGPS) as revalued in note 26.

Restricted Fixed Asset Funds

Fixed assets transferred on conversion - This represents the fixed assets transferred from the Local Authority on conversion.

Fixed assets purchased from GAG and unrestricted funds - This fund includes transfers from the GAG restricted fund for capital related expenditure. The balance at the year end represents the net book value of assets transferred from the GAG fund, net of associated finance and borrowing.

Devolved formula capital grants and Academies Capital Maintenance Fund grants - Grants from the EFA to be spent on capital related expenditure.

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	42,490	359,895	(225,638)	-	-	176,747
Restricted funds	(435,191)	1,890,470	(1,763,597)	(121,063)	(87,000)	(516,381)
Restricted fixed asset funds	3,208,579	1,878,240	(148,115)	121,063	-	5,059,767
	2,815,878	4,128,605	(2,137,350)	-	(87,000)	4,720,133

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	As restated Total funds 2013 £
Tangible fixed assets	78,706	-	4,042,517	4,121,223	3,174,080
Current assets	98,041	422,032	1,030,664	1,550,737	451,038
Creditors due within one year	-	(278,413)	(13,414)	(291,827)	(269,826)
Creditors due in more than one year	-	-	-	-	(13,414)
Pension scheme liability	-	(660,000)	-	(660,000)	(526,000)
	<u>176,747</u>	<u>(516,381)</u>	<u>5,059,767</u>	<u>4,720,133</u>	<u>2,815,878</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	As restated 2013 £
Net incoming resources before revaluations	1,991,255	5,642
Returns on investments and servicing of finance	(6,518)	(339)
Net assets transferred on conversion	-	126,429
Depreciation of tangible fixed assets	153,318	172,728
Capital grants from DfE	(1,649,656)	(148,629)
Increase in debtors	(431,977)	(52,970)
Increase/(decrease) in creditors	36,876	(8,500)
FRS17 pension finance (income)/cost	19,000	12,000
FRS17 pension costs less contributions paid	28,000	27,000
NET CASH INFLOW FROM OPERATIONS	<u>140,298</u>	<u>133,361</u>

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

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	718	339
Hire purchase interest	5,800	-
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>6,518</u>	<u>339</u>

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

	2014 £	2013 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(1,100,459)	(84,277)
Sale of tangible fixed assets	-	1,460
Capital grants from DfE	1,649,656	148,629
NET CASH INFLOW FROM CAPITAL EXPENDITURE	<u>549,197</u>	<u>65,812</u>
	2014 £	2013 £
FINANCING		
Repayment of other loans	<u>(28,293)</u>	<u>(54,893)</u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	374,798	667,720	-	1,042,518
DEBT:				
Finance leases	(41,709)	28,293	-	(13,416)
NET FUNDS	<u>333,089</u>	<u>696,013</u>	<u>-</u>	<u>1,029,102</u>

23. CAPITAL COMMITMENTS

At 31 August 2014 the academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>1,030,664</u>	<u>1,700,000</u>

The above commitment will be covered by existing grant funding.

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

24. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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24. PENSION COMMITMENTS (continued)

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £73,000, of which employer's contributions totalled £56,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% for employees.

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

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24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70	347,000	7.00	316,000
Gilts and bonds	3.30	56,000	3.50	69,000
Property	5.90	56,000	6.00	47,000
Cash	2.90	12,000	0.50	16,000
Target return portfolio	5.90	84,000	5.00	79,000
Infrastructure and alternative assets	4.50	27,000	-	-
Total market value of assets		582,000		527,000
Present value of scheme liabilities		(1,242,000)		(1,053,000)
(Deficit)/surplus in the scheme		(660,000)		(526,000)

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,242,000)	(1,053,000)
Fair value of scheme assets	582,000	527,000
Net liability	(660,000)	(526,000)

The amounts recognised in the Statement of financial activities are as follows:

	2014 £	2013 £
Current service cost	(84,000)	(84,000)
Interest on obligation	(52,000)	(35,000)
Expected return on scheme assets	33,000	23,000
Past service cost	(7,254)	-
Total	(110,254)	(96,000)

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24. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	1,053,000	858,000
Current service cost	84,000	84,000
Interest cost	52,000	35,000
Contributions by scheme participants	17,000	17,000
Actuarial Losses	38,000	59,000
Benefits paid	(2,000)	-
	-	-
Closing defined benefit obligation	<u>1,242,000</u>	<u>1,053,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	527,000	395,000
Expected return on assets	33,000	23,000
Actuarial gains and (losses)	(49,000)	35,000
Contributions by employer	56,000	57,000
Contributions by employees	17,000	17,000
Benefits paid	(2,000)	-
	<u>582,000</u>	<u>527,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities was £239,000 losses (2013: £152,000 losses).

The academy expects to contribute £57,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	59.00 %	60.00 %
Gilts and bonds	10.00 %	13.00 %
Property	10.00 %	9.00 %
Cash	2.00 %	3.00 %
Target return portfolio	14.00 %	15.00 %
Infrastructure and alternative assets	5.00 %	- %

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	6.00 %
Expected return on scheme assets at 31 August	6.00 %	6.50 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %

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24. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.7	20.6
Females	26.0	24.6
Retiring in 20 years		
Males	24.9	22.6
Females	28.3	26.5

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(1,242,000)	(1,053,000)
Scheme assets	582,000	527,000
Deficit	(660,000)	(526,000)
Experience adjustments on scheme liabilities	(38,000)	(59,000)
Experience adjustments on scheme assets	(49,000)	35,000

25. OPERATING LEASE COMMITMENTS

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

	2014	2013
	£	£
EXPIRY DATE:		
Within 1 year	36,126	21,330

26. RELATED PARTY TRANSACTIONS

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

Mr J Bishop, the Headteacher, is a trustee of Heathercombe Brake Trust. During the year the academy made purchases of £20,175 (2013: £19,625) for pupils' activity services.