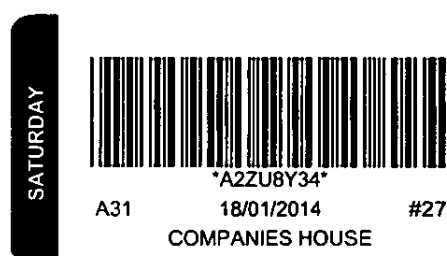


Barr Beacon School Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2013



Company Registration Number: 07654219 (England & Wales)

Barr Beacon School Trust

For the Year Ended 31 August 2013

Contents

	Page
Reference and Administrative Details	1
Trustees' Report	2 to 12
Governance Statement	13 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 to 18
Independent Auditor's Report on Regularity	19 to 20
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	24 to 26
Other Notes to the Financial Statements	26 to 36

Barr Beacon School Trust
Reference and Administrative Details
For the Year Ended 31 August 2013

Members (and Trustees)	Mr J Bench Mr S Smith Dame Maureen Brennan	(Chairman) (Headteacher & Accounting Officer)
Trustees	Cllr M Bird Mrs R Duncombe Mr K Hoey Mr D Lowbridge Ms D Park	 (Staff Trustee)
Company Secretary	Mr C Berry	
Leadership Team	Dame Maureen Brennan	Headteacher
Senior Management Team	Miss L Clarke Mrs S Derham Mrs L Westwood Mrs L Drakeley Mrs C Harper Mrs K Hibbs Mr P Kilvert Mr D Lowbridge Miss R Beards	Deputy Headteacher Deputy Headteacher Deputy Headteacher (Retired 31/1/13) Deputy Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher
Principal and Registered Office	Barr Beacon School Old Hall Lane Aldridge Walsall West Midlands WS9 0RF	
Company Registration Number	07654219 (England & Wales)	
Independent Auditor	Haines Watts Birmingham LLP Sterling House 71 St Francis Road Edgbaston Birmingham B16 8SP	
Bankers	Lloyds TSB 893 Old Walsall Road Perry Barr Birmingham B42 1TN	
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU	

Barr Beacon School Trust

Trustees' Report

For the Year Ended 31 August 2013

The Trustees of Barr Beacon School present their annual report together with their financial statements and auditors' report of the charitable company for the year ended to 31 August 2013

Structure, Governance and Management

Constitution

Barr Beacon School 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 Barr Beacon School Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Barr Beacon School (company number 07654219).

The Charitable Company was incorporated on 1 June 2011. On 1 July 2011, Barr Beacon Language College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Charitable Company from Walsall Local Authority.

The Trustees details are included in the Reference and Administrative Details on Page 1.

Members' Liability

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

Trustees' Indemnity

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

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

The policy for Trustee Indemnity is held with Zurich Municipal Ltd and the limit of this indemnity is £2,000,000 (2 Million Pounds).

Principal Activities

The principal activity of Barr Beacon School Trust is to provide a quality, free education for young people regardless of ability, aged 11 to 18 who are wholly or mainly drawn from the area in which the school is situated, offering them a broad and balanced curriculum.

Barr Beacon School Trust

Trustees' Report (*continued*)

For the Year Ended 31 August 2013

Method of Recruiting and Appointment or Election of Trustees

The processes for appointing or electing the various types of Trustee at Barr Beacon School Trust are as follows

- 1) *Member Trustee* – The Members of Barr Beacon School Trust may appoint up to one Trustee save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the academy Trust (including the Principal)
- 2) The Principal shall be treated for all purposes as being an ex officio Trustee
- 3) *Parent Trustees* – The Articles of Association require that there shall be *three* Parent Trustees Subject to Article 57 of the Funding Agreement the Parent Trustees shall be elected by parents of registered pupils at the Academy A Parent Trustee must be a parent of a pupil at the time when he/she is elected, or where this it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age

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

The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have the opportunity to do so by post or, if he/she prefers, by having his/her ballot paper returned to the Academy Trust by a pupil registered at the Academy

Where a vacancy for a Parent Trustee is required to be filled by election, the Board of Trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given the opportunity to do so

The number of Parent Trustees shall be made up by Parent Trustees appointed by the Board of Trustees if the number of parents standing for election is less than the number of vacancies

- 4) *Staff Trustees* – Up to one Staff Trustee is elected by the School staff

The Board of Trustees shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Trustees

- 5) *Community Trustees* – Up to three Community Trustees may be appointed by the Board of Trustees The Community Trustees may be appointed by the Board of Trustees provided that the person who is appointed as a Community Trustee is -
 - a A person who lives or works in the community served by the Academy, or
 - b A person who in the opinion of the Board of Trustees, is committed to the government and success of the Academy

The Trustees may not appoint an employee of the Academy Trust as a Community Trustee if the number of Trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Trustees

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

- 6) *Co-opted* Trustees – the Trustees may appoint up to three Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if the number of Trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment/election all new Trustees will receive an introduction to their role from the Chairman and Headteacher, this introduction includes a tour of the School site, the opportunity to meet other members of the Senior Management Team and support from the Trustees.

The Board of Trustees is committed to providing opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Board of Trustees maintains a service level agreement with Walsall MBC - Trustees Support for Trustee access training. This agreement allows for any or all of the members of the Board of Trustees to attend any of the training courses provided by Walsall MBC - Trustees Support.

Trustees with specific roles within the Board of Trustees are encouraged to undertake specific training.

Organisational Structure

Before conversion to academy status on 1 July 2011 Barr Beacon School was a Foundation School without a Foundation, as defined in the School Standards and Framework Act 1998. The relative autonomy of a Foundation School meant that the former Board of Trustees was structured to undertake similar roles to those required of the Trustees of an Academy. In May 2007 the Interim Executive Board met for the first time and in the summer of 2008 the Shadow Board of Trustees was put in place. The Board of Trustees took over in January 2010. The extra responsibilities of the Board of Trustees of the Academies Trust have been recognised and the Board of Trustees is made up of 8 Trustees.

At Barr Beacon School Trust the majority of roles and responsibilities of the Board of Trustees are dealt with at full Board of Trustees meetings. There are a small number of delegating committees – Staff Dismissal, Pupil Discipline, Appeals and Headteacher Appraisal. The Trustees are responsible for the strategic oversight of the school. Operational management is the responsibility of the Headteacher and staff. School policies are developed by the Senior Management Team incorporating statutory requirements and reflecting strategic direction agreed by the Trustees.

Trustees formally approve and adopt policies and Leadership, together with staff, implement the agreed procedures and protocols.

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Risk Management

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The Trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff) and internal financial controls in order to eliminate risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the System of Internal Financial Control

As Trustees, we acknowledge we have overall responsibility for ensuring Barr Beacon School Trust has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records, which disclose with reasonable accuracy and at any time the financial position of the academy and which enable us to ensure financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- the academy is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- the proper records are maintained and financial information used within the academy is reliable,
- the academy complies with relevant laws and regulations.

The academy's system of internal financial control is based on a framework of regular management information and 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 Board of Trustees which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- delegation of authority and segregation of duties
- identification and management of risks.

Connected Organisations, including Related Party Relationships

Barr Beacon School Trust has strong connections with local universities, from whom we receive trainee teachers and there is a strong commitment to the Teach First, National College of Teaching & Leadership and Future Leaders Programmes. The School Direct partnership completed its first year with the University of Worcester with 8 colleagues on the programme. Barr Beacon School Trust works in partnership with Hibernia College UK.

Barr Beacon School also provided a total of 16 School Experience Placement Days.

Barr Beacon School commenced support of a school in special measures.

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Objectives and Activities

Objects and Aims

The principal object and activity of the School is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balance and broad curriculum and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

The main objectives of the School for the year ended 31 August 2013 are summarised as follows -

- To provide the highest quality education for all its pupils,
- to provide value for money for the funds expended,
- to ensure that the School is suitably staffed,
- to comply with all statutory and curriculum requirements,
- to develop and maintain links with local industry and the wider community in Walsall, including working with other educational establishments,
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness

Objectives Strategies and Activities

To raise standards of achievement to meet 2013 targets

This is to include

KS5

At least 75% of A Level grades will be amber or green, i.e. grades will demonstrate expected or above expected progress
50% of subjects will achieve an ALPS score of 3 or above
100% of vocational subjects will be green
100% of subjects will achieve 6 or higher in ALPS

KS4

To raise the achievement of Languages to National Averages
5 A*-C including English and Maths to 84%
3 levels of progress to 90% in English
3 levels of progress to 90% in Maths
'Narrowing the gap' between advantaged and disadvantaged pupils to 9%
75% of pupils (A*-C) will achieve 2 GCSEs in Science of the cohort (excluding BTECs)

KS3

65% of Level 6+ (English)
73% of Level 6+ (Maths)
70% of Level 6+ (Science)

To achieve this, the plan sets out targets against the following areas -

Behavior and Safety

- To Strive for consistency in behavior management and demonstrate excellent improvements in behavior over time for individuals or groups with particular behavior needs
- To raise pupil awareness of what constitutes unsafe situations and ensure they are highly aware of how to keep themselves and others safe

Barr Beacon School Trust

Trustees' Report (*continued*)

For the Year Ended 31 August 2013

Teaching

- All staff to improve the quality and consistency of their practice to improve the quality of teaching from good to outstanding
- To improve the quality of leadership at all levels to move teaching and learning to outstanding

Leadership and Management

- To implement new procedures for performance management and capability
- To continue to develop partnership work to enrich the curriculum and increase the range of learning opportunities still further
- To improve the quality of leadership at all levels to move teaching and learning to outstanding

The plan is reviewed annually by the leadership team and Trustees

A summary of the achievements during the year ended 31 August 2013 is outlined below

Achievements and Performance

In the year leading up to 31 August 2013 the following was achieved -

- At GCSE level 82% of pupils achieved five A* - C grades including English and Math's,
- The differential for five A* - C between disadvantaged and non-disadvantaged pupils was 14% reducing from 19% in 2011/2012,
- At GCSE a trend is seen for the percentage of pupils gaining five A – C grades overall with a significant improvement over the past five years, from 63% in 2009 to 100% for the last three years,
- At Key Stage 5, the average point per entry has risen to 225,
- We are significantly above the national average in, attainment and achievement, of 5 A* - CEM and best 8 point averages score,
- From KS2 to KS4, 84% of pupils are making better than expected progress in English This is better than the national average of 70% The figure for Math's is 88% compared with a national figure of 69%,
- Overall attendance is currently 96.69% which shows a trend of improvement over the past three years
- Birmingham Mail recognised Barr Beacon School as one of the Top 100 state funded schools in the country This makes us 98th best school in the country, out of a possible 3,079, placing us in the top 3%,
- SSAT recognized Barr Beacon School in the top 20% nationally for outstanding student progress,
- SSAT recognized Barr Beacon School in the top 20% nationally for outstanding continuous improvement,
- Funding of £400,000 was secured from the Academies Capital Maintenance Fund for Replacement Windows & Cladding and a Replacement Sports Centre Roof,

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Equity & Diversity Policy

The overall objective of Barr Beacon School Trust's Equality, Diversity and Community Cohesion Policy is to provide a framework for the school to pursue its equality duties to eliminate unlawful discrimination and harassment, promote equality of opportunity, and promote good relations and positive attitudes between people of diverse backgrounds in all of its activities

The principles of this policy apply to all members of the extended school community - pupils, staff, the Board of Trustees, parents, volunteers and community members. Partners and contractors are also expected to abide by the policy

We will not tolerate less favourable treatment of anyone on the grounds of gender, race, disability, sexual orientation, age, and religion or belief

Through our school ethos, curriculum and community links, we will work towards -

- a common vision,
- a sense of belonging for all,
- similar life opportunities for all,
- strong and positive relationships between different communities

Equality and Diversity is more than just meeting legal obligations or targets. It's about making a difference to the lives of the communities we serve, treating all people with dignity and respect, and recognising the value of each individual. This means an on-going commitment to ensuring that our services meet the varied and individual needs of pupils in our school

Public Benefit

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The School continues to be at the heart of its community, promoting community cohesion and sharing facilities with the wider community

Achievements and Performance

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that Barr Beacon School 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

Key Financial Performance Indicators

- Maintain a healthy balance
- Increase catering revenue
- Increase revenue from community budget
- Increase efficiency of energy usage
- Increase usage of local suppliers
- Increase percentage of waste recycled
- Reduce sickness/absence levels
- Continue to promote professional development of staff
- Continue to maintain a full complement of staff

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Financial Review

The combined Restricted General Fund, Restricted Fixed Asset Fund and Unrestricted Fund show net incoming resources, before the actuarial losses on defined benefit pension schemes of £974,084 (2012 £10,012,110) (page 21) This operating surplus is the result of detailed and tight budgeting and budget control procedures which have been firmly embedded in the school's daily financial management

The majority of the School's income is obtained from the Department for Education (DfE) in the form of recurrent grants The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown in the statement of financial activities

Beacon School Trust received total income of £8,664,180 (2012 £10,052,706), of which £7,371,151 (2012 £8,361,219) was received from the DfE through the General Annual Grant (GAG) Other income generated totalled £1,293,029 (2012 £1,393,102) and was made through income streams such as, other grant income, hire of facilities, student teacher programmes, catering income and capital income

The School was also awarded £400,000 from the Academies Capital Maintenance Fund during the year ended 31 August 2013, to which the replacement of the windows and cladding of the old block and the replacement of the sports centre roof were completed

As indicated above Barr Beacon School Trust generates income through the hire of facilities and services through its Leisure Centre, for the year ended 31 August 2013 this income totalled £116,434 (2012 £160,193)

In the year ended 31 August 2013 there was a total expenditure of £7,690,096 (2012 £9,120,740) (note 7) Staff salaries accounted for the majority of funds expended, which totalled £4,542,147 (2012 £6,498,137) (note 10)

Barr Beacon School Trust's support staff are entitled to membership of the Local Government Pension Scheme, the share of the deficit apportioned to Barr Beacon School Trust has been assessed at £1,208,000 (2012 £1,178,000)

In the year ended 31 August 2013 £1,000,001 of the academy's surplus balance was invested in our Virgin Savings Account with an interest rate set at 2.61%

The updating and management of the asset register (note 13) shows that we have total fixed assets at cost or valuation of £11,220,137 (2012 £10,648,062), including land and buildings with a value of £9,995,434 (2012 £9,580,859) Depreciation charges for the year total £352,936 (2012 £588,422), which is calculated on the straight line depreciation method Total net book value of assets for the year ended 31 August 2013 is £10,280,263 (2012 £10,059,640)

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Financial Review *(continued)*

As defined in the Funding Agreement Articles of Association, no Trustee is employed by or receives any remuneration from the Academy Trust other than the Headteacher and the elected Staff Trustee. As defined, this clause only allows such a Trustee to receive remuneration or benefit from Barr Beacon School Trust in his/her capacity as an employee of the Academy Trust.

As such the Headteacher (Ex-Officio Trustee) and Assistant Headteacher (Staff Trustee) receive remuneration for their roles as members of school staff only, they are not remunerated for any duties performed as Trustees of the school. Their annual salaries as at 31 August 2013 for their roles as members of staff are as follows:

	Salary Scale	Salary Range
Headteacher	L37 - L43	£90,704 - £105,097
Assistant Headteacher	L12 – L16	£49,130 - £54,305

Financial and Risk Management Objectives and Policies

Risk is the threat that an event or action will adversely affect the Academy Trusts ability to achieve its objectives and to successfully execute its strategies. As such, risk management is an integral part of good governance and is a process whereby there is shared awareness and understanding within the school of

- the nature and extent of the risks it faces
- the extent and categories of risks regarded as acceptable (the academy should formulate a sound policy on its threshold to risk)
- the likelihood and potential impacts of the risks materialising
- the ability to reduce the incidence and impact on the organisation of risks that do materialise
- regular and on-going monitoring and reporting of risk
- an appropriate assessment is made of the cost of operating particular controls relative to the benefit obtained in managing the related risk
- the academy conducts, at least annually, a review of the effectiveness of the system of internal control in place

The schools system of internal control is part of its risk management process and has a key role to play in the management of significant risks to the fulfilment of its objectives. It also contributes to the safeguarding of public funds, school assets and promotion of best value. Internal control facilitates the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

The Trustees have adopted the Risk Registers based around those in the Academy's Handbook.

Principal Risks and Uncertainty

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Reserves & Investments Policy

The Trustees in conjunction with the main Board of Trustees review the resources of the Academy and recognise the need to have sufficient reserves to protect against reductions in funding. The reserves will be held in line with DfE guidelines. The policy will aim to carry forward sufficient funds to meet the Academy Trust's long term aims and objectives, ensuring that this does not affect its current operational activities. The amount allocated to reserves will be for new buildings and site improvement.

Barr Beacon School Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds.

Within the year ended 31 August 2013 Barr Beacon School Trust received £11,842 interest on investments.

Barr Beacon School Trust

Trustees' Report *(continued)*

For the Year Ended 31 August 2013

Plans for Future Periods

Barr Beacon School Trust's plans for the future are to -

- Continue to raise achievement for all pupils in Key Stage 3, 4 and 5
- Continue the drive to become an outstanding school
- Develop and expand a Multi Academy Trust
- Work towards a Teaching School Status
- Commence the first part of the Strategic Buildings Masterplan
- Continue to recruit and maintain outstanding teaching and support staff

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others

Auditor

Insofar as the Trustees are aware -

- there is no relevant audit information of which Barr Beacon School Trusts auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the members of the Board of Trustees on
behalf by

3-12-13

and signed on its



Mr Jeremy Bench
Chair of Trustees

Barr Beacon School Trust

Governance Statement

For the Year Ended 31 August 2013

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform to 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 Barr Beacon School 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 9 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
Mr J Bench (Chairman)	8	9
Cllr M Bird	6	9
Dame M Brennan (Headteacher and Accounting Officer)	9	9
Mrs R Duncombe	8	9
Mr K Hoey	8	9
Mr D Lowbridge (Staff Trustee)	7	9
Ms D Park	9	9
Mr S Smith	9	9

During the year ended 31 August 2013 there have been no changes to the composition of the Board of Trustees.

Barr Beacon School Trust does not operate a Finance and General Purposes sub-Committee.

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 Barr Beacon School Trust for the year ended 31 August 2013 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Barr Beacon School Trust

Governance Statement *(continued)*

For the Year Ended 31 August 2013

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Lisa Peacock of HCSS Ltd, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the Responsible Officer,
- the work of the external 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

Within the Headteacher's report's, The accounting officer has advised the Board of Trustees of the effectiveness of the system of internal control 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
behalf by

3-12-13

and signed on its



Mr Jeremy Bench
Chair of Trustees



Dame Maureen Brennan
Accounting Officer

Barr Beacon School Trust

Statement on Regularity, Propriety and Compliance

For the Year Ended 31 August 2013

As accounting officer of Barr Beacon School 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Dame Maureen Brennan
Accounting Officer

Barr Beacon School Trust

Statement of Trustees' Responsibilities

For the Year Ended 31 August 2013

The Trustees (who act as governors of Barr Beacon School Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on **3-12-13** and signed on its behalf by



Mr Jeremy Birch
Chair of Trustees

Barr Beacon School Trust

Independent Auditor's Report to the Members of Barr Beacon School Trust

Year Ended 31 August 2013

We have audited the financial statements of Barr Beacon School Trust for the year ended 31 August 2013 which comprises 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 Annual Accounts Direction 2012/13 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust'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 academy trust 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 auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the academy trust 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 trust'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. 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 trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Annual Accounts Direction 2012/13 issued by the Education Funding Agency.

Barr Beacon School Trust

Independent Auditor's Report to the Members of Barr Beacon School Trust *(continued)*

Year ended 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

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

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
- we have not received all the information and explanations we require for our audit



Henry Briggs
Senior Statutory Auditor

23rd December 2013

For and on behalf of Haines Watts Birmingham LLP
Chartered Accountants and Statutory Auditor
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Barr Beacon School Trust

Independent Reporting Auditor's Assurance Report on Regularity to Barr Beacon School Trust and the Education Funding Agency

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 9 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barr Beacon School Trust during the period 1 September 2012 to 31 August 2013 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 Barr Beacon School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barr Beacon School 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 Barr Beacon School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barr Beacon School Trust accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Barr Beacon School Trust funding agreement with the Secretary of State for Education dated 5 July 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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. 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 period 1 September 2012 to 31 August 2013 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 issued by the 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.

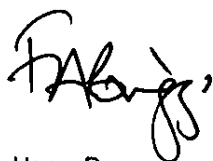
Barr Beacon School Trust

Independent Reporting Auditor's Assurance Report on Regularity to Barr Beacon School Trust and the Education Funding Agency *(continued)*

Year ended 31 August 2013

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 period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Henry Briggs
Senior Statutory Auditor

28th December 2013

For and on behalf of Haines Watts Birmingham LLP
Chartered Accountants and Statutory Auditor
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Barr Beacon School Trust

Statement of Financial Activities for the year ended 31 August 2013

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
	Note					
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	-	-	-	-	776,474
Transfer from local authority on conversion	28	-	-	-	-	9,080,144
Activities for generating funds	4	415,699	188,857	-	604,556	613,483
Investment income	5	11,842	-	-	11,842	3,145
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	6	-	7,714,821	332,961	8,047,782	8,659,604
Total incoming resources		427,541	7,903,678	332,961	8,664,180	19,132,850
Resources expended						
<i>Cost of generating funds</i>						
Costs of activities for generating funds	7	379,597	135,554	-	515,151	476,251
<i>Charitable activities</i>						
Academy trust educational operations	8	-	6,754,796	352,936	7,107,732	8,544,165
Governance costs	9	-	67,213	-	67,213	100,324
Total resources expended	7	379,597	6,957,563	352,936	7,690,096	9,120,740
Net incoming/(outgoing) resources before transfers		47,944	946,115	(19,975)	974,084	10,012,110
Gross transfers between funds	16	-	(403,677)	403,677	-	-
Net income/(expenditure) for the year		47,944	542,438	383,702	974,084	10,012,110
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16, 26	-	21,000	-	21,000	(132,000)
Net movement in funds		47,944	563,438	383,702	995,084	9,880,110
Reconciliation of funds						
Funds brought forward at 1 September 2012	16	82,847	(99,298)	9,896,561	9,880,110	-
Funds carried forward at 31 August 2013		130,791	464,140	10,280,263	10,875,194	9,880,110

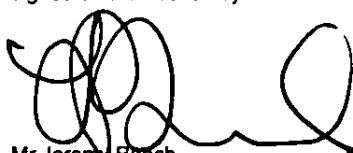
All of the Academy's activities derive from continuing operations during the above two financial periods

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

Barr Beacon School Trust
Balance Sheet as at 31 August 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	13		10,280,263		10,059,640
Current assets					
Debtors	14	102,685		671,372	
Cash at bank and in hand		<u>2,087,997</u>		<u>1,173,255</u>	
		2,190,682		1,844,627	
Creditors Amounts falling due within one year	15	<u>(387,751)</u>		<u>(846,157)</u>	
Net current assets			<u>1,802,931</u>		<u>998,470</u>
Total assets less current liabilities			12,083,194		11,058,110
Net assets excluding pension liability					
Pension scheme liability	26		(1,208,000)		(1,178,000)
Net assets including pension liability			<u>10,875,194</u>		<u>9,880,110</u>
Funds of the academy					
Restricted funds					
Fixed asset fund(s)	16		10,280,263		9,896,561
General fund(s)	16		1,672,140		1,078,702
Pension reserve	16		<u>(1,208,000)</u>		<u>(1,178,000)</u>
Total restricted funds			10,744,403		9,797,263
Unrestricted funds	16		130,791		82,847
Total funds			<u>10,875,194</u>		<u>9,880,110</u>

The financial statements on pages 21 to 36 were approved by the Trustees and authorised for issue on **3-12-13** and are signed on their behalf by


Mr Jeremy Bench
Chair of Trustees

Company Limited by Guarantee
Registration Number 07654219

Barr Beacon School Trust**Cash Flow Statement for the year ended 31 August 2013**

		Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
	Note		
Net cash inflow from operating activities	20	1,146,252	1,092,990
Returns on investments and servicing of finance	21	11,842	3,145
Capital expenditure	22	(243,352)	(163,079)
Increase in cash in the year		914,742	933,056
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012 (1 June 2011)		1,173,255	-
Cash transferred on conversion to an academy trust		-	240,199
Net funds at 31 August 2013	23	2,087,997	1,173,255

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013

1 Accounting Policies

Basis of Preparation

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

Going Concern

The 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.

Incoming Resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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 on the restricted fixed asset fund.

Sponsorship income

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

Donations

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

Other income

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

Donated Services and Gifts in Kind

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

Resources Expended

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

Costs of generating funds

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

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

1 Accounting Policies (continued)

Charitable activities

These are costs incurred on the academy trust's educational operations

Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Freehold buildings	50 years straight line basis
Fixtures, fittings and equipment	3 years straight line basis
Computer equipment	3 years straight line basis
Motor vehicles	3 years straight line basis

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.

Leased Assets

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

Taxation

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

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

1 Accounting Policies (continued)

Pensions 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 quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 or other funders where the asset acquired or created is held for a specific purpose.

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

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 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.

In October 2013 the Secretary of State varied the relevant clause of the academy trust's Funding Agreement to allow a discretionary carry forward of surplus GAG funding with effect from financial year 2012/13.

3 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Capital grants	-	-	-	741,774
Other income	-	-	-	34,700
	-	-	-	<u>776,474</u>

In 2012/13, capital grants are shown within Funding for the Academy Trust's Educational Operations (see note 6). This new classification is in accordance with the 2012/13 Academy Accounts Direction issued by the Education Funding Agency.

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Hire of facilities	116,434	-	116,434	160,193
Catering income	243,688	37,026	280,714	210,510
School fund income	-	144,036	144,036	178,451
Other income	55,577	7,795	63,372	64,329
	415,699	188,857	604,556	613,483

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Short term deposits	-	-	-	125
Bank interest received	11,842	-	11,842	3,020
	11,842	-	11,842	3,145

6 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
DfE/EFA grants				
General Annual Grant (GAG) (note 2)	-	7,371,151	7,371,151	8,361,219
Start Up Grants	-	-	-	25,000
Capital Grants	-	332,961	332,961	-
Other DfE/EFA grants	-	116,785	116,785	84,935
	-	7,820,897	7,820,897	8,471,154
Other Government grants				
Local authority grants	-	3,723	3,723	2,438
Special educational projects	-	223,162	223,162	186,012
	-	226,885	226,885	188,450
	-	8,047,782	8,047,782	8,659,604

7 Resources Expended

	Staff Costs £	Non Pay Expenditure		Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
		Premises £	Other Costs £		
Costs of activities for generating funds					
Hire of facilities	90,118	37,084	5,958	133,160	166,410
Catering	98,989	-	147,448	246,437	141,136
School fund expenditure	-	-	135,554	135,554	168,705
	189,107	37,084	288,960	515,151	476,251
Academy's educational operations					
Direct costs	5,058,349	355,690	440,643	5,854,682	6,835,621
Allocated support costs	278,942	502,664	471,444	1,253,050	1,708,544
	5,337,291	858,354	912,087	7,107,732	8,544,165
Governance costs including allocated support costs	-	-	67,213	67,213	100,324
	5,526,398	895,438	1,268,260	7,690,096	9,120,740

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

7 Resources Expended (continued)		Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Incoming/outgoing resources for the year include			
Operating leases		2,311	15,866
Fees payable to auditor			
Audit		5,750	5,500
Other services		2,790	500
Profit/(loss) on disposal of fixed assets		2,754	-
8 Charitable Activities - Academy's Educational Operations		Year Ended 31.08 13 £	Period from 01 06 11 to 31 08 12 £
	Unrestricted Funds £	Restricted Funds £	
<i>Direct costs</i>			
Teaching and educational support staff costs	-	5,058,349	5,058,349
Depreciation	-	355,690	355,690
Educational supplies	-	147,726	147,726
Examination fees	-	131,124	131,124
Teaching resources	-	161,793	161,793
	-	5,854,682	5,854,682
<i>Allocated support costs</i>			
Support staff costs	-	278,942	278,942
Recruitment and support	-	17,226	17,226
Maintenance of premises and equipment	-	119,802	119,802
Cleaning	-	138,595	138,595
Rent, rates, heat and light	-	172,122	172,122
Insurance	-	54,919	54,919
Security and transport	-	41,107	41,107
Catering	-	50,036	50,036
Bank interest and charges	-	2,742	2,742
Pension service charge and interest costs	-	169,000	169,000
Teacher First fees	-	26,485	26,485
INSET fees	-	35,898	35,898
Reprographics charges	-	70,178	70,178
Stationery, printing and postage	-	50,485	50,485
Other support costs	-	25,513	25,513
	-	1,253,050	1,253,050
	-	7,107,732	7,107,732
9 Governance Costs		Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
	Unrestricted Funds £	Restricted Funds £	
Legal and professional fees	-	58,673	58,673
Auditor's remuneration			
Audit of financial statements	-	5,750	5,750
Other audit costs	-	2,790	2,790
	-	67,213	67,213

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

10 Staff Costs

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Staff costs during the year were		
Wages and salaries	4,542,147	6,498,137
Social security costs	351,847	762,800
Pension costs	632,404	1,056,377
	<u>5,526,398</u>	<u>8,317,314</u>
Supply teacher costs	-	-
Compensation payments	-	2,467
	<u>5,526,398</u>	<u>8,319,781</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows

	2013 Number	2013 F-T Equiv	2012 Number	2012 F-T Equiv
<i>Charitable Activities</i>				
Teachers	95	92	98	94
Administration and support	109	56	60	49
Management	11	11	11	11
	<u>215</u>	<u>159</u>	<u>169</u>	<u>154</u>

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

	2013 Number	2012 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	2	2
£80,000+	1	1
	<u>5</u>	<u>5</u>

The above 5 employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013 pension contributions for these staff amounted to £60,000

11 Related Party Transactions - Trustees' Remuneration & Expenses

The principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows

Dame Maureen Brennan (principal and trustee)	£105,000 - £110,000
Mr D Lowbridge (staff trustee)	£50,000 - £55,000

During the year ended 31 August 2013, there were no travel and subsistence expenses reimbursed to trustees. Related party transactions involving the trustees are set out in note 27

12 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 2013 was £1,066

The cost of this insurance is included in the total insurance cost

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

13 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 September 2012	9,580,859	867,271	159,134	40,798	10,648,062
Additions	414,575	12,590	149,148	-	576,313
Disposals	-	-	(4,238)	-	(4,238)
At 31 August 2013	9,995,434	879,861	304,044	40,798	11,220,137
Depreciation					
At 1 September 2012	178,338	377,031	17,187	15,866	588,422
Charged in year	154,725	126,443	58,169	13,599	352,936
Disposals	-	-	(1,484)	-	(1,484)
At 31 August 2013	333,063	503,474	73,872	29,465	939,874
Net book values					
At 31 August 2013	9,662,371	376,387	230,172	11,333	10,280,263
At 31 August 2012	9,402,521	490,240	141,947	24,932	10,059,640

14 Debtors

	2013 £	2012 £
Trade debtors	3,620	11,597
Prepayments and accrued income	34,279	570,731
Other taxation and social security	42,338	84,258
Other debtors	22,448	4,786
	102,685	671,372

15 Creditors amounts falling due within one year

	2013 £	2012 £
Trade creditors	92,828	278,913
Other taxation and social security	102,639	107,679
Accruals and deferred income	192,284	459,565
	387,751	846,157

	2013 £	2012 £
Deferred income		
Deferred Income at 1 September 2012	46,569	-
Resources deferred in the year	46,457	46,569
Amounts released from previous years	(19,994)	-
Deferred Income at 31 August 2013	73,032	46,569

At the balance sheet date, the academy trust was holding funds in advance for the following

Pupil Premium £55,125
Sports Centre Roof £15,000
Catering £2,907

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

16 Funds

	Balance at 01 09 12 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 08 13 £	Balance at 31 08 12 £
Restricted general funds						
General Annual Grant (GAG)	530,066	7,371,151	(6,393,468)	(403,677)	1,104,072	530,066
Other DfE/EFA grants	159,603	343,670	(332,720)	-	170,553	159,603
Transfer from Local Authority on conversion	370,635	-	-	-	370,635	370,635
School fund	9,746	144,036	(135,554)	-	18,228	9,746
Other general funds	8,652	44,821	(44,821)	-	8,652	8,652
	<u>1,078,702</u>	<u>7,903,678</u>	<u>(6,906,563)</u>	<u>(403,677)</u>	<u>1,672,140</u>	<u>1,078,702</u>
Pension reserve	(1,178,000)	-	(51,000)	21,000	(1,208,000)	(1,178,000)
	<u>(99,298)</u>	<u>7,903,678</u>	<u>(6,957,563)</u>	<u>(382,677)</u>	<u>464,140</u>	<u>(99,298)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	523,576	-	-	-	523,576	523,576
Capital expenditure from GAG	-	332,961	-	403,677	736,638	-
Transfer from Local Authority on conversion	9,354,151	-	(352,936)	-	9,001,215	9,354,151
Other capital funds	18,834	-	-	-	18,834	18,834
	<u>9,896,561</u>	<u>332,961</u>	<u>(352,936)</u>	<u>403,677</u>	<u>10,280,263</u>	<u>9,896,561</u>
Total restricted funds	<u>9,797,263</u>	<u>8,236,639</u>	<u>(7,310,499)</u>	<u>21,000</u>	<u>10,744,403</u>	<u>9,797,263</u>
Unrestricted funds	<u>82,847</u>	<u>427,541</u>	<u>(379,597)</u>		<u>130,791</u>	<u>82,847</u>
Total funds	<u>9,880,110</u>	<u>8,664,180</u>	<u>(7,690,096)</u>	<u>21,000</u>	<u>10,875,194</u>	<u>9,880,110</u>

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department of Education, or other funders

Restricted Fixed Asset Funds are resources which are applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, or other funders where the asset acquired or created is held for a specific purpose

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

17 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Tangible fixed assets	-	10,280,262	10,280,262	10,059,640
Current assets	130,791	2,059,891	2,190,682	1,844,627
Current liabilities	-	(387,751)	(387,751)	(846,157)
Pension scheme liability	-	(1,208,000)	(1,208,000)	(1,178,000)
Total net assets	<u>130,791</u>	<u>10,744,402</u>	<u>10,875,193</u>	<u>9,880,110</u>

18 Capital commitments

	2013 £	2012 £
Contracted for, but not provided in the financial statements	<u>90,000</u>	-

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

19 Financial Commitments

Operating leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
Other		
Expiring within one year	-	15,866
Expiring within two and five years inclusive	2,311	-
Expiring in over five years	-	-
	2,311	15,866

20 Reconciliation of net income to net cash inflow from operating activities

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Net income	974,084	10,012,110
Fixed assets transferred on conversion	-	(9,708,509)
Depreciation (note 13)	352,936	588,422
Loss on disposal of fixed assets	2,754	-
Capital grants from DfE and other capital income	(332,961)	(776,474)
Interest receivable (note 5)	(11,842)	(3,145)
LA budget surplus transferred on conversion	-	(370,635)
Non-cash element of LA surplus transferred on conversion	-	130,436
FRS17 deficit transferred on conversion	-	999,000
FRS 17 pension cost less contributions payable (note 26)	4,000	(14,000)
FRS 17 pension finance (income)/cost (note 26)	47,000	61,000
(Increase)/decrease in debtors	568,687	(671,372)
Increase/(decrease) in creditors	(458,406)	846,157
Net cash inflow from operating activities	1,146,252	1,092,990

21 Returns on investments and servicing of finance

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Interest received	11,842	3,145
Net cash inflow from returns on investment and servicing of finance	11,842	3,145

22 Capital expenditure and financial investment

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Purchase of tangible fixed assets	576,313	939,553
Capital grants from DfE/EFA	(332,961)	(741,774)
Capital funding received from sponsors and others	-	(34,700)
Net cash outflow/(inflow) from capital expenditure and financial investment	243,352	163,079

23 Analysis of changes in net funds

	At 01 09.12 £	Cash flows £	At 31 08 13 £
Cash in hand and at bank	1,173,255	914,742	2,087,997
	1,173,255	914,742	2,087,997

24 Contingent Liabilities

There were no contingent liabilities as at 31 August 2013 or 31 August 2012

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

25 Members' Liability

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

26 Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is the West Midlands Pension Fund managed by Wolverhampton City 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 was 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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 (in excess of price increases and currently set at 3.5%), 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

At the last valuation, the contribution rate paid into the TPS is assessed in two parts. First, a Standard Contribution Rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the year over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the year 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

From 1 January 2007, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions.

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

26 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Teachers' Pension Scheme Changes

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme - Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

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 academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2013 was £155,761 (2012: £180,968), of which employer's contributions totalled £118,407 (2012: £137,674) and employees' contributions totalled £37,354 (2012: £43,294). The agreed contribution rates for future years are 15.5% (2012: 15.5%) for employers and between 5.5% (2012: 5.5%) and 7.5% (2012: 7.5%) for employees.

Principal Actuarial Assumptions

	At 31 08 13	At 31 08 12
Rate of increase in salaries	4.15%	4.05%
Rate of increase for pensions in payment / inflation	2.40%	2.30%
Discount rate for scheme liabilities	4.60%	4.50%
Inflation assumption (CPI)	2.40%	2.30%

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

	At 31 08 13	At 31 08 12
<i>Retiring today</i>		
Males	22.1	22.0
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	23.9	23.8
Females	26.7	26.6

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 08 13 £	Expected return at 31 08 12 £	Fair value at 31 08 13 £	Fair value at 31 08 12 £
Equities	42.4%	54.4%	248,000	211,000
Government bonds	8.4%	9.2%	49,000	36,000
Other bonds	11.2%	9.9%	66,000	39,000
Property	8.7%	10.1%	51,000	39,000
Cash	4.1%	1.6%	24,000	6,000
Other	25.2%	14.8%	148,000	58,000
Total market value of assets			586,000	389,000
Present value of scheme liabilities	- Funded		(1,794,000)	(1,567,000)
Deficit in the scheme			(1,208,000)	(1,178,000)

The actual return on scheme assets was £48,000 (2012 £8,000)

Amounts recognised in the statement of financial activities

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
Current service cost (net of employee contributions)	122,000	124,000
Past service cost	-	-
Total operating charge	122,000	124,000
Expected return on pension scheme assets	27,000	23,000
Interest on pension liabilities	(74,000)	(84,000)
Pension finance income / (costs)	(47,000)	(61,000)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £111,000 loss (2012 £132,000 loss)

Movements in the present value of defined benefit obligations were as follows

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
At 1 September 2012	1,567,000	-
Current service cost	122,000	124,000
Interest cost	74,000	84,000
Employee contributions	37,000	43,000
Actuarial (gain)/loss	-	117,000
Benefits paid	(6,000)	(24,000)
Business combinations	-	1,223,000
At 31 August 2013	1,794,000	1,567,000

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

	Year Ended 31 08 13 £	Period from 01 06 11 to 31 08 12 £
At 1 September 2012	389,000	-
Expected return on assets	27,000	23,000
Actuarial gain/(loss)	21,000	(15,000)
Employer contributions	118,000	138,000
Employee contributions	37,000	43,000
Assets distributed on settlements	-	-
Benefits / transfers paid	(6,000)	(24,000)
Business combinations	-	224,000
At 31 August 2013	586,000	389,000

The estimated value of employer contributions for the year ended 31 August 2014 is £117,000

Barr Beacon School Trust

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The five-year history of experience adjustments is as follows

	31 08 13 £	31 08 12 £
Present value of defined benefit obligations	(1,794,000)	(1,567,000)
Fair value of share of scheme assets	586,000	389,000
Deficit in the scheme	(1,208,000)	(1,178,000)
Experience adjustments on share of scheme assets [gain/(loss)]	21,000	(15,000)
Experience adjustments on scheme liabilities [gain/(loss)]	-	(117,000)

27 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 trustee has 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.

There were no transactions with related parties during the year other than as disclosed in note 11 to the financial statements.

28 Conversion to an Academy Trust

On 1 July 2011 the Barr Beacon Language College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Barr Beacon School Trust from the Walsall Council Local Authority for £nil consideration.

The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets				
Freehold / leasehold land and buildings	-	-	9,580,859	9,580,859
Other tangible fixed assets	-	-	127,650	127,650
Budget surplus on LA funds	-	370,635	-	370,635
LGPS pension deficit	-	(999,000)	-	(999,000)
Net assets/(liabilities) transferred on conversion as at 1 July 2011	-	(628,365)	9,708,509	9,080,144

The above net assets include £240,199 that were transferred as cash.