

8131708

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

Annual Report and Financial Statements

Period ended 31 August 2013



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

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

08131708 (England and Wales)

Registered Office

Branston Junior Academy
Station Road
Branston
Lincoln
LN4 1LH

Trustees

Mr Alastair Plant	appointed 01 08 2012
Mr Simon Telfer	appointed 01 08 2012
Mrs Susy Cannings	appointed 01 08 2012

Senior Managers

Head Teacher	Mrs Rachael Shaw
Deputy Head	Mr David Manby

Governors

Mr James Joyce	Co-opted
Mr Stuart Harris	Co-opted
Mrs Barbara Cucksey	Co-opted
Mr Steven Hennegan	Co-opted
Mr Josh Lane	Co-opted
Mrs Sandy Barron	Parent
Mr Matt Adams	Parent
Mr David Manby	Staff
Miss Ann Kisby	Staff
Mrs Jan Whitehouse	Staff
Mr Adrian Audis	Responsible Officer (appointed 31 st October 2013)

Bankers

Barclays Bank PLC
Tritton Road
Lincoln

Solicitors

Wilkin & Chapman
The Maltings
11-15 Brayford Wharf East
Lincoln
LN5 7AY

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Auditors

Duncan & Toplis

Chartered Accountants and Statutory Auditors

4 Henley Way

Doddington Road

Lincoln

Lincolnshire

LN6 3QR

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TRUSTEES REPORT

The Trustees who are also Governors for the purposes of the Companies Act 2006, present their report with the financial statements for the period 1 August 2012 to the 31 August 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 5 July 2012 and commenced activities as an Academy on 1 August 2012.

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

Details of the governors who served throughout the five months 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.

Governors / Trustees' Indemnities

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

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Principal Activities

Our mission statement is

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

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

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

Recruitment and appointment of new Governors

Governors nominated should as far as reasonably possible be from the community, parents at the school or elected staff representatives. All vacancies are advertised on the website or in the school newsletters. If ballots are required, nominees submit appropriate supporting text, ballot forms are sent out to each parent or carer with clear instruction, situation of ballot box and submission date for final count. Parents are elected for a four year period, as are three staff representatives.

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

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

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

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

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

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

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

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

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

Co-opted governors

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

Appointment of additional governors

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

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

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

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

The Secretary of State may also appoint such additional governors where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in the Framework

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for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of foregoing the grade, the grade received by St John's Primary Academy shall be regarded as the grade received by the Academy.

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

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

Term of office

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

Induction and training of new Trustees/Governor

A new Trustee/Governor will attend a briefing with the Head Teacher and chair of Governors/Trustees. The Trustee/Governor will be given a full tour of the school and such documents and policies as required.

Organisational Structure

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

Decision making model:

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

The governing body determine, formulate and agree those policies and procedures delegated to them by trustees.

The Head Teacher implements policy and the operational requirements of both the governing body and trustees on a "day to day" basis, as their employment officer.

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

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Risk Management

The Governors confirm that, as part of an ongoing process, the major risks to which the Charitable Company is exposed have been reviewed and systems have been established to mitigate any risks identified. Business Risk Assessment is reviewed termly by the Finance Committee and reported to the Governing Body, to endorse any decisions made or action taken.

Connected Organisations

There are no related parties and the Academy has systems in place to deal with transactions with connected organisations.

OBJECTIVES AND ACTIVITIES (FROM 2012/2013 SCHOOL DEVELOPMENT PLAN)

Objects and aims (inc Objectives, Strategies and Activities)

Attainment and Achievement

- 1 Monitor the progress of those children who achieved Level 2b and 2c at KS1 (Reading, Writing and Maths)
- 2 Ensure 'basic skills' (Writing, Reading, Phonics, Maths) are the main focus for the Y3/4 curriculum
- 3 Monitor the progress of Y3/4 pupils in order to ensure that they are making as much progress as Y5/6 pupils
- 4 Continue to develop staff knowledge, skills and understanding in improving Reading and Writing (particularly guided groups), in order to accelerate pupil progress
- 5 Continue to encourage and develop parental input in supporting and developing children in Reading, Writing and Maths
- 6 Create new APP sheets for Science

OFSTED (February 2011)

Accelerate the progress made by pupils and raise attainment by ensuring that teachers consistently

- 1 *Have high expectations of what pupils can achieve and communicate this to them by regular feedback*
- 2 *Set work that is closely matched to pupils' abilities*
- 3 *Make sure all phases of a lesson challenge and engage pupils*
- 4 *Use assessment information to provide work of appropriate challenge for pupils*

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Teaching and Learning.

- 1 Ensure consistent use of expecting children to respond to written comments
- 2 Ensure consistent use of regular, accurate and effective use of APP and feedback across the whole school
- 3 Develop the use of regular, effective, differentiated SPAG sessions for UKS2
- 4 Continue to develop (and monitor impact of) regular, differentiated phonics sessions in LKS2 Introduce 'THRASS' to LKS2
- 5 Develop the curriculum to have a whole school theme, including 'Learning to Learn' activities (to commence January 2013)
- 6 Develop the effective use of TA support to include break and lunch times (Autumn 12/13 start)
- 7 Investigate the possibilities of setting IT-based homework and the use of a VLE (Spring and Summer 12/13)
- 8 Improve the reading resources for the whole school, in light of a new Library having been created
- 9 Develop opportunities for G&T mathematicians to achieve their full potential
- 10 Develop cross-curricular opportunities for Maths to be used
- 11 Develop problem-solving opportunities for each ability level
- 12 Audit Science resources and purchase new, as appropriate

OFSTED (February 2011)

Develop the curriculum to meet the needs and interests of all the pupils by

- 1 *Increasing the opportunities to apply their literacy and mathematical skills across all subjects in the curriculum*
- 2 *Increasing the extent to which pupils' use independent learning skills*
- 3 *Raising pupil's awareness of cultures other than their own in Britain and in global communities*

Behaviour and Safety

- 1 Ensure the consistent use of positive behaviour management strategies by all staff (Teachers, TA's, MSA's, Admin) in light of 3 new teaching staff and 3 new MSA's also minority parent perception as evidenced in July 2012 parent survey)
- 2 Ensure all staff are aware of (and correctly use) all policies and practices linked to behaviour, safety, safeguarding and child protection (in light of new staff)

Leadership and Management

- 1 Develop the SLT, in light of a new Deputy starting at the school, a new 'Data Analysis Leader' role being developed and Subject Leaders being given more responsibility over their subject
- 2 Develop the leadership skills of all teachers, in terms of 'leading their subject area'
- 3 Change website providers and create an improved Academy website, with links to a VLE which is regularly used by staff, Governors, parents and pupils
- 4 Develop the curriculum so that it has a 'whole-school' cross-curricular approach with a basis on Chris Quigley's Key Skills, 'Learning to Learn' and Primary National Strategy for English and Maths

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Public Benefit

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

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

OFSTED's summary stated that

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

ACHIEVEMENTS AND PERFORMANCE

Our achievements

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

Sport:

The football and netball teams have competed in local leagues and sports festivals, playing against children from other schools. In recognition of the excellent range of sport and other physical activity available at the academy, it was awarded the Active Mark in 2009.

Dance, Drama, Music and Filming:

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

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All children learn how to use animation software and every year we enter into the LAFTAs, (Lincolnshire School Films Award) In 2009, several films were nominated for the LAFTA's and in 2010, one of our films won an award for 'best in category' and 'best film overall' In 2011 three of our films were nominated and two of them won awards!

In March 2013, Mr Simpson's Drama Team won the 'Ada Sowerby Trophy' for Primary Drama at the Lincoln Drama Festival for their original interpretation of 'David and Goliath', getting an outstanding 87% score

Other Awards:

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

Working with the Community:

The children love to support the community, be it locally - with school and community events, or nationally – by supporting national charities etc Many activities take place within the school, to promote the children's awareness of the international community, of which they are a valuable member, and as such the school was awarded the Full International School's Award (Foundation Level) in 2011

The Trustees/Governors are pleased to present achievement and performance context and outcomes in all aspects of school provision

Attendance for the year

Attendance	96 17%
Authorised Absences	3 82%
Unauthorised Absences	0 02%

Pupil Provision

The academy is in its first year of operation

Total pupils in the year to 31st August 2012 is 154

Teacher	Year Group	Number in Year Group
Mr Simpson	Y5/6	Year 6 37 Year 5 47
Miss Perkins	Y5/6	
Mr Manby	Y5/6	
Mrs Simpson / Mrs Norris	Y3/4	Year 4 37 Year 3 33
Miss Tysoe	Y3/4	
Miss Kisby	Y3/4	

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Academic results

SATs results for 2013

Subject	Achievement	2012-2013
Maths	Level 4 or above	89%
	Level 5	58%
	2 or more levels progress	91%
Reading	Level 4 or above	92%
	Level 5	53%
	2 or more levels progress	80%
Writing	Level 4 or above	92%
	Level 5	42%
	2 or more levels progress	94%

We were very pleased with all of our KS2 SATS results, especially the number of children achieving Level 6 in Maths (22%) All of our results are significantly above both local and national assessment figures

The overall value added for the 2012 Year 6 cohort was

Reading	+15APS
Writing	+12 9APS
Maths	+15APS
Overall	+14 3APS

Exclusions	1 recorded incident
Racist incidents	none recorded this year
Bullying incidents	none recorded this year

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future For this reason it continues to adopt the going concern basis in preparing the financial statements

Key Financial Performance Indicators Statement

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

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FINANCIAL REVIEW

Financial and risk management objectives and policies

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

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

- Site health and safety
- Fire safety
- Disability access
- Critical Incident Policy/Management Plan
- Whistle blowing policy
- Behaviour and Anti-bullying policy
- Educational Visits Policy
- Finance policy
- Safeguarding and Child Protection policy
- Staff handbook
- First Aid

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

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

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

- Register of business interests register
- Best value statement
- Charging and remissions policy
- Financial procedures
- Whistle blowing policy
- Five year finance model
- School Development Plan
- Statement of internal control

The Trustees ensure that the school completes a full five year plan and models future expenditure and pupil numbers. The Resources Committee meet 6 times during a financial year. Budgets are set at a resources committee meeting and ratified by the full governing body annually. All finance meetings are fully documented and minutes sent to all Trustees and Governors. The trust has the services of a Responsible Officer effective from 31st October 2013 who will review financial practice throughout the year and report directly to the

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Trustees Prior to this appointment, and for the year to August 2013 the mentor was Mrs Susy Cannings A full external audit is carried out by Duncan & Toplis

Principal risks and uncertainties

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

The trust does not use any funding streams for speculative purposes

Capital management/Liquidity risks

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

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

The trust has selected a current account with deposit account which offers 0.375% per annum return

Credit Risk

Currently the academy does not enter into credit agreements and the Head Teacher and deputy hold a debit card for use with Barclays Bank The photocopier is leased as are the 2 drinking water stations

Debt risk

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

Other financial assets and Cash balances on site

The trust may hold significant cash balances as part of its normal operations, with the amount of cash held at any point reflecting the level of cash flow generated by the school Banking occurs when large intakes for visits, trips or collections, hot school meal orders and sale of school sweatshirts, rucksacks and water bottles have been received and insurance cover determines what balances may be securely held in school

Acute Energy Costs and poor weather

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

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Capital assets

The building is well maintained and the Head Teacher and the governor responsible for Health & Safety inspects and reports regularly to the Trustees. The Site Manager reports directly to the Head Teacher on maintenance issues which in turn are reported termly to Trustees/Governors. The academy purchases the Property Services buy back to support building maintenance. The trust purchases the health and safety buy back package through Mouchel annually.

Theft, vandalism and fire

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

Reserves Policy

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

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

The Trustees have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure (Trustees to review), approximately £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £27,671 which is less than is needed. The Academy intends to continue building up free reserves to the level needed. Trustees to review.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £115,428.

Financial report for the period

The majority of the Academy's income is from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31st August 2013 and the associated expenditure are shown in the statement of financial activities.

At 31st August 2013, the net book value of fixed asset was £1,619,308. The assets were used exclusively for providing education and the associated services to the students of the Academy.

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Financial position

The Academy held fund balances at 31st August 2013 of £1,620,095, comprising £115,428 of restricted funds, a pension reserve deficit of £174,000, £27,671 of unrestricted general funds and £1,650,996 in a fixed asset fund

Funds in deficit

The Academy's non-teaching staff is entitled to membership of the Local Government Pension Scheme. The Academy's share of the scheme assets is currently assessed to be less than its liabilities in the scheme and consequently the Academy's balance sheet shows a net liability of £174,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Investment policy

The school holds no investments other than its capital balance

PLANS FOR FUTURE PERIODS

In relation to attainment and achievement we aim to improve the percentage of children achieving 2 Levels Progress in Reading by the end of Year 6. To provide inspirational activities to encourage boys to develop their writing skills, which in turn will increase the number of children making good to outstanding progress in writing, and to improve percentages of Level 2b and 2c children making good to outstanding progress throughout the year in Reading, Writing and Maths.

With regard to teaching and learning we aim to further develop the Community Cohesion with a particular focus on the international dimension across the whole academy. Ensure effective and accurate use of Science assessments across the whole school. Continue to develop the IT capabilities of the academy and their effectiveness in raising standards in teaching and learning. To further develop staff skills, knowledge and understanding in the teaching and learning of MFL (French). To ensure consistency in the teaching and learning of RE across the academy and develop staff skills, knowledge and understanding in the teaching of Phonics.

To develop a clear rationale to be promoted for a whole-school 'family' ethos to continue to improve behaviour and to develop the use of Teaching Assistants at lunchtimes.

Leadership and Management plans include developing the Year 3/4 team in light of the new focussed curriculum. Develop a clear rationale for the effective use of Pupil Premium and the PE premium and an effective method to monitor the impact of this expenditure.

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AUDITOR

In so far as the Trustees are aware

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

Approved by order of the Board of Trustees on 18 December 2013 and signed on its behalf by



Mr Alastair Plant
[Chair]

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Branston Junior Academy and the Secretary of State of 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows -

Trustee	Meetings Attended	Out of Possible
A Plant (Chair)	3	4
M Adams	3	4
S Barron	4	4
S Cannings	3	4
B Cucksey	4	4
A Kisby	4	4
S Harris	3	4
S Hennegan	3	4
J Joyce (forces – work commitments)	2	4
J Lane (appointed April 2013)	1	2
D Manby	4	4
R Shaw (Head/Accounting Officer)	4	4
S Telfer	3	4
J Whitehouse	4	4
A Audis (Responsible Officer)	appointed 31 st October 2013	

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

Trustee	Meetings Attended	Out of Possible
A Plant	5	5
M Adams	4	5
S Cannings	5	5
A Kisby	5	5
S Hennegan	5	5
J Joyce (Chair of Committee)	3	5
D Manby	5	5
R Shaw	5	5
S Telfer	1	moved to Standards Committee
J Whitehouse	5	5

Audit

Branston Junior Academy funds are audited by Duncan & Toplis accountants

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 Branston Junior Academy for the period 1st August 2012 to 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 period 1st August 2012 to 31st August 2013 and up to the date of approval of the annual report and financial statement. This process is regularly reviewed by the Board of Trustees.

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The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided

not to appoint an internal auditor. However the trustees have appointed Mr Adrian Audis from October 2013 onwards, to perform additional checks,

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems

On a quarterly basis, the Responsible Officer will report 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 Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

the work of the 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

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

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

Approved by order of the members of the Governing Body on 18 December 2013 and signed on its behalf by



Mr Alastair Plant
[Chair]



Mrs Rachael Shaw
[Accounting Officer]

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Branston Junior Academy I have considered my responsibility to notify the academy trust 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 requirement 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 of funding non-compliance have been discovered to date.



Mrs Rachael Shaw
[Accounting Officer]

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

Statement of Trustees' Responsibilities

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

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

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

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

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

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

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

Approved by order of the members of the board of trustees on 18 December 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Alastair Plant', written over a horizontal line.

Mr Alastair Plant
[Chair]

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRANSTON JUNIOR ACADEMY

We have audited the financial statements of Branston Junior Academy for the period ended 31 August 2013 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 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. 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 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 Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRANSTON JUNIOR ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



T G Godson BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Topliss

Chartered Accountants and Statutory Auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

Date

18 December 2013

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 18 July 2012 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 Branston Junior Academy during the period 5 July 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 Branston Junior Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston Junior Academy and 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 Branston Junior Academy and the EFA, for our work, for this report, or for the conclusion we have formed

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

The accounting officer is responsible, under the requirements of Branston Junior Academy's funding agreement with the Secretary of State for Education dated 4 July 2012, and the Academies Financial Handbook extant from 2006, 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 5 July 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's income and expenditure.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 5 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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



T G Godson BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis

Chartered Accountants and Statutory Auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

Date

18 December 2013

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	10,498	8,521	-	19,019
Transfer from predecessor school		21,244	(118,902)	1,635,486	1,537,828
Activities for generating funds	3	19,422	14,432	-	33,854
Funding for the Academy's educational operations		-	809,639	21,202	830,841
TOTAL INCOMING RESOURCES		51,164	713,690	1,656,688	2,421,542
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	-	53,460	-	53,460
Funding for the Academy's educational operations		23,493	683,520	15,479	722,492
Governance costs	7	-	28,495	-	28,495
TOTAL RESOURCES EXPENDED	10	23,493	765,475	15,479	804,447
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		27,671	(51,785)	1,641,209	1,617,095
Transfers between Funds	21	-	(9,787)	9,787	-
NET INCOME FOR THE YEAR		27,671	(61,572)	1,650,996	1,617,095
Actuarial gains and losses on defined benefit pension schemes		-	3,000	-	3,000
NET MOVEMENT IN FUNDS FOR THE YEAR		27,671	(58,572)	1,650,996	1,620,095
<i>Total funds at 5 July 2012</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2013		27,671	(58,572)	1,650,996	1,620,095

All of the Academy's activities derive from acquisitions in the current financial period

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

The notes on pages 31 to 52 form part of these financial statements

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

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	17		1,619,308
CURRENT ASSETS			
Stocks	18	561	
Debtors	19	47,947	
Cash at bank and in hand		158,638	
		<u>207,146</u>	
CREDITORS amounts falling due within one year	20	<u>(32,359)</u>	
NET CURRENT ASSETS			<u>174,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,794,095</u>
Defined benefit pension scheme liability	27		<u>(174,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,620,095</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	21	115,428	
Restricted fixed asset funds	21	1,650,996	
		<u>1,766,424</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(174,000)</u>	
Total restricted funds			1,592,424
Unrestricted funds	21		<u>27,671</u>
TOTAL FUNDS			<u><u>1,620,095</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2013 and are signed on their behalf, by



.....
Mr Alastair Plant
Chair of Trustees

The notes on pages 31 to 52 form part of these financial statements

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

		Period ended 31 August 2013 £
	Note	
Net cash flow from operating activities	23	59,909
Capital expenditure and financial investment		21,901
Cash transferred on conversion to an academy trust	25	76,828
INCREASE IN CASH IN THE PERIOD		158,638

All of the cash flows are derived from acquisitions in the current financial period

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	Period ended 31 August 2013 £
Increase in cash in the period	158,638
MOVEMENT IN NET FUNDS IN THE PERIOD	158,638
NET FUNDS AT 31 AUGUST 2013	158,638

The notes on pages 31 to 52 form part of these financial statements

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

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 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 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 Department for Education 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.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

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

BRANSTON JUNIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

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

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term Leasehold Property	-	2% straight line
Computer equipment	-	33% straight line

BRANSTON JUNIOR ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.11 Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Branston Junior School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Branston Junior Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The value of leasehold land and buildings transferred have been included in these accounts as per the notes to the accounts and depreciated over 50 years. Other assets transferred included a cash balance of £76,828. An LGPS deficit of £164,000 was also transferred on conversion.

Further details of the transaction are set out in note 25.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Donations	-	8,521	8,521
School fund income	8,521	-	8,521
Other voluntary income	1,977	-	1,977
	<u>1,977</u>	<u>-</u>	<u>1,977</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings income	571	-	571
Catering income	14,796	-	14,796
Receipts from staff insurance claims	-	14,432	14,432
Other income	4,055	-	4,055
	<u>19,422</u>	<u>14,432</u>	<u>33,854</u>

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	728,384	728,384
Start Up Grant	-	25,000	25,000
Pupil Premium	-	15,935	15,935
Devolved Formula Capital grant	-	5,856	5,856
	-	775,175	775,175
Other government grants			
SEN 1-1 Funding	-	23,670	23,670
Other Local Authority revenue grants	-	16,650	16,650
Local Authority capital grants	-	15,346	15,346
	-	55,666	55,666
	-	830,841	830,841

5 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
School fund expenditure	-	53,460	53,460

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funding for the Academy's educational operations	23,493	698,999	722,492

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	572,046	15,479	134,967	722,492

7 GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	6,850	6,850
Auditors' non audit costs	-	1,250	1,250
Legal and professional fees	-	14,281	14,281
Personnel fees	-	6,114	6,114
	-	28,495	28,495

8. DIRECT COSTS

	Educational operations £	Total 2013 £
Educational supplies	11,134	11,134
Staff development	1,063	1,063
Educational consultancy	5,834	5,834
Wages and salaries	396,535	396,535
National insurance	23,883	23,883
Pension cost	64,326	64,326
Depreciation	15,479	15,479
	518,254	518,254

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

9. SUPPORT COSTS

	Educational operations £	Total 2013 £
Pension income	6,000	6,000
Technology costs	8,440	8,440
Maintenance of premises and equipment	29,549	29,549
Cleaning	1,598	1,598
Rent and rates	4,510	4,510
Energy costs	11,750	11,750
Insurance	32,999	32,999
Telephone, postage and stationery	1,550	1,550
Catering	13,222	13,222
Other costs	3,683	3,683
Bank interest and charges	307	307
Operating leases - other	3,328	3,328
Wages and salaries	68,898	68,898
National insurance	6,245	6,245
Pension cost	12,159	12,159
	<u>204,238</u>	<u>204,238</u>

10 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Costs of generating voluntary income	-	-	53,460	53,460
Costs of generating funds	-	-	53,460	53,460
Funding for the Academy's educational operations	572,046	15,479	134,967	722,492
Governance	-	-	28,495	28,495
	<u>572,046</u>	<u>15,479</u>	<u>216,922</u>	<u>804,447</u>

11 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	<u>518,254</u>	<u>204,238</u>	<u>722,492</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

12 NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	Period ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the Academy	15,479
Auditors' remuneration	6,850
Auditors' remuneration - non audit fees	1,250
	<u> </u>

13. STAFF COSTS

Staff costs were as follows

	Period ended 31 August 2013 £
Wages and salaries	459,298
Social security costs	30,128
Other pension costs (Note 27)	76,486
	<u> </u>
	565,912
Supply teacher costs	6,135
	<u> </u>
	572,047

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

	Period ended 31 August 2013 No
Teachers	8
Management	1
Administration and support staff	7
	<u> </u>
	16

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

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14 TRUSTEES' REMUNERATION AND EXPENSES

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

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

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2013 was £250.

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

16. OTHER FINANCE INCOME LESS EXPENSE

	Period ended 31 August 2013 £
Expected return on pension scheme assets	6,000
Interest on pension scheme liabilities	(12,000)
	<u>(6,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17 TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Computer equipment £	Total £
Cost			
Additions	1,625,000	9,787	1,634,787
At 31 August 2013	<u>1,625,000</u>	<u>9,787</u>	<u>1,634,787</u>
Depreciation			
Charge for the period	14,200	1,279	15,479
At 31 August 2013	<u>14,200</u>	<u>1,279</u>	<u>15,479</u>
Net book value			
At 31 August 2013	<u><u>1,610,800</u></u>	<u><u>8,508</u></u>	<u><u>1,619,308</u></u>

All of the tangible fixed assets are used for educational purposes

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

18. STOCKS

	2013 £
Finished goods and goods for resale	<u>561</u>

19 DEBTORS

	2013 £
Other debtors	33,832
Prepayments and accrued income	14,115
	<u><u>47,947</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

20. CREDITORS:
Amounts falling due within one year

	2013 £
Trade creditors	7,948
Other taxation and social security	7,921
Other creditors	8,406
Accruals and deferred income	8,084
	<u>32,359</u>

There was no deferred income as at 31 August 2013

Deferred income

£

21 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other income not for capital purposes	-	51,164	(23,493)	-	-	27,671
Restricted funds						
General Annual Grant (GAG)	-	728,384	(634,871)	(9,787)	-	83,726
Start up Grant	-	25,000	(8,577)	-	-	16,423
Other DfE/EFA Grants	-	15,935	(15,935)	-	-	-
Other Local Authority revenue grants	-	40,320	(25,200)	-	-	15,120
Other income	-	14,432	(14,432)	-	-	-
School fund reserve	-	53,619	(53,460)	-	-	159
Other Restricted funds	-	(164,000)	(13,000)	-	3,000	(174,000)
	<u>-</u>	<u>713,690</u>	<u>(765,475)</u>	<u>(9,787)</u>	<u>3,000</u>	<u>(58,572)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21 STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/EFA capital grants	-	5,856	-	-	-	5,856
Government capital grant	-	15,346	-	-	-	15,346
Capital expenditure from GAG	-	-	(1,279)	9,787	-	8,508
Capital expenditure from other income	-	1,635,486	(14,200)	-	-	1,621,286
	-	1,656,688	(15,479)	9,787	-	1,650,996
Total restricted funds	-	2,370,378	(780,954)	-	3,000	1,592,424
Total of funds	-	2,421,542	(804,447)	-	3,000	1,620,095

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

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

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

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

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

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £13,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £3,000 actuarial reduction/increase in the net pension fund deficit.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

21 STATEMENT OF FUNDS (continued)

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 2013

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	51,164	(23,493)	-	-	27,671
Restricted funds	-	713,690	(765,475)	(9,787)	3,000	(58,572)
Restricted fixed asset funds	-	1,656,688	(15,479)	9,787	-	1,650,996
	-	2,421,542	(804,447)	-	3,000	1,620,095

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	1,619,308	1,619,308
Current assets	27,671	147,787	31,688	207,146
Creditors due within one year	-	(32,359)	-	(32,359)
Provisions for liabilities and charges	-	(174,000)	-	(174,000)
	27,671	(58,572)	1,650,996	1,620,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

			Period ended 31 August 2013 Total £
	Continuing £	Discontinued £	
Net incoming resources before revaluations	1,617,095	-	1,617,095
Transfer on conversion	(1,537,828)	-	(1,537,828)
Depreciation of tangible fixed assets	15,479	-	15,479
Capital grants from DfE	(31,688)	-	(31,688)
Increase in stocks	(561)	-	(561)
Increase in debtors	(47,947)	-	(47,947)
Increase in creditors	32,359	-	32,359
FRS 17 adjustments	13,000	-	13,000
Net cash inflow from operations			59,909
			Period ended 31 August 2013 £
Capital expenditure and financial investment			
Purchase of tangible fixed assets			(9,787)
Capital grants from DfE			31,688
Net cash inflow capital expenditure			21,901

	5 July 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	158,638	-	158,638
Net funds	-	158,638	-	158,638

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**NOTES TO THE FINANCIAL STATEMENTS
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25 CONVERSION TO AN ACADEMY TRUST

On 1 August 2012 Branston Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Branston Junior Academy from Lincolnshire County Council for £Nil consideration

The transfer has been 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 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 Statement of financial activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	1,625,000	1,625,000
Budget surplus/(deficit) on LA funds	21,244	-	10,486	31,730
Budget surplus/(deficit) on other school funds	-	45,098	-	45,098
LGPS pension surplus/(deficit)	-	(164,000)	-	(164,000)
Net assets/(liabilities)	21,244	(118,902)	1,635,486	1,537,828

The above net assets include £76,828 that was transferred as cash

The Academy's land and buildings are held by Lincolnshire County Council who have agreed to grant a long lease to the Academy. These land and buildings have been valued and are included in the financial statements both within fixed assets and as a gift in kind.

26 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

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**NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS

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

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

Contributions amounting to £8,406 were payable to the scheme at 31 August 2013 and are included within creditors

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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, 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 to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period 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 review, 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 period 1 April 2001 to 31 March 2004 The Government

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**NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS (continued)

Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 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. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

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 period ended 31 August 2013 was £37,000, of which employer's contributions totalled £28,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 19% for employers and varies for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	112,000
Bonds	4.30	18,000
Property	4.70	16,000
Cash	3.60	-
Total market value of assets		<u>146,000</u>
Present value of scheme liabilities		<u>(320,000)</u>
(Deficit)/surplus in the scheme		<u><u>(174,000)</u></u>

The amounts recognised in the Balance Sheet are as follows

	Period ended 31 August 2013 £
Present value of funded obligations	(320,000)
Fair value of scheme assets	<u>146,000</u>
Net liability	<u><u>(174,000)</u></u>

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27 PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2013 £
Current service cost	(35,000)
Interest on obligation	(12,000)
Expected return on scheme assets	6,000
Total	(41,000)
Actual return on scheme assets	16,000

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

	Period ended 31 August 2013 £
Opening defined benefit obligation	258,000
Current service cost	35,000
Interest cost	12,000
Contributions by employees	9,000
Actuarial Losses	6,000
Closing defined benefit obligation	320,000

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

	Period ended 31 August 2013 £
Opening fair value of scheme assets	94,000
Expected return on assets	6,000
Actuarial gains and (losses)	9,000
Contributions by employer	28,000
Contributions by employees	9,000
Total	146,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £3,000

The Academy expects to contribute £26,000 to its defined benefit pension scheme in 2014

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**NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS (continued)

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

	2013
Equities	77.00 %
Bonds	12.00 %
Property	11.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	6.10 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	21.2
Females	23.4
Retiring in 20 years	
Males	23.7
Females	25.7

Amounts for the current period are as follows

Defined benefit pension schemes

	2013
	£
Defined benefit obligation	(320,000)
Scheme assets	146,000
Deficit	(174,000)
Experience adjustments on scheme liabilities	(6,000)
Experience adjustments on scheme assets	9,000

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Sensitivity Analysis

	Approx. % increase to employer liability %	Approx. Monetary amount £
0.5% decrease in Real Discount Rate	10	33,000
1 year increase in member life expectancy	3	10,000
0.5% increase in the Salary Increase Rate	4	12,000
0.5% increase in the Pension Increase Rate	6	20,000

28 OPERATING LEASE COMMITMENTS

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

	Land and buildings 2013 £	Other 2013 £
Expiry date		
Between 2 and 5 years	-	3,280

29. RELATED PARTY TRANSACTIONS

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

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

30 CONTROLLING PARTY

The Trustees have ultimate control of the Academy.

31 INCORPORATION

The company incorporated on the 5 July 2012 and opened as an Academy on the 1 August 2012.