

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its governors and advisers	1
Governors' report	2 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Governors' responsibilities statement	15
Independent auditor's report	16 - 17
Independent auditor's assurance report on regularity	18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 41

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors	M Norman, Chair D Dearden, Vice Chair P Baker H Baxendale, Staff Governor M Bell, Staff Governor D Boyd P Coathup P Coombes R Doe V Foottit N Harris Rev S Jones-Crabtree H Marriott, Staff Governor R Woollen J Wilcox P Beighton, Principal
Company registered number	7419660
Registered office	Branston Community Academy Station Road Branston Lincoln LN4 1LH
Company secretary	C Osborne
Senior management team	P Beighton, Principal J Campbell, Vice-Principal K Lamming, Vice-Principal J Turner, Vice-Principal A Wright, Vice-Principal
Independent auditor	BDO LLP St Hugh's 23 Newport Lincoln LN1 3DN
Bankers	Lloyds Bank 202 High Street Lincoln LN5 7AP
Solicitors	Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ
Insurers	Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Branston Academy Trust (the Academy) for the year ended 31 August 2013. The Governors confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Academy also trades under the name Branston Community Academy.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and was set up by a Trust deed. Branston Academy Trust began trading as a Charitable Company on 1 December 2010, when Branston Community College ceased and was incorporated to Branston Community Academy.

The Branston Academy Trust is a company limited by guarantee and an exempt charity regulated by the Education Funding Agency (EFA). The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors, including the principal, act as the trustees for the charitable activities of Branston Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Branston Community Academy.

b. Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

The Academy currently has 15 governors including the principal (ex-officio) and is required to have a minimum of three, there is no maximum. Parent governors (5) are elected by paper ballot of parents and candidates must be parents at the time of their election. Staff governors (3) are elected by staff at the Academy. Community governors (4) who must live or work in the community served by the academy, and partnership governors (2) may be appointed by the Governing Body. Further governors may be appointed by the company members (1) and the local authority (1). All governors (except the principal) are appointed for four years and may be re-elected or re-appointed.

c. Policies and procedures adopted for the induction and training of Governors

There is a core of long-standing, highly experienced governors and very low turnover of governors. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to fulfil their roles. Any induction required is tailored specifically to the needs of the individual.

d. Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, ensuring funding is spent in line with any restrictions, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. There are four committees – Finance and Resources, Curriculum and Staffing, Standards and Specialisms and the Governors Standing Committee. Standing Committee currently has six members - the Chair and Vice-Chair of the governing body, the Chairs of the other three committees and the Principal. It has delegated powers to act on behalf of any committee or the full Governing Body.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

The senior management team comprises the Principal and four Vice-Principals. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Principal is the Accounting Officer and the Business Manager is the Principal Finance Officer. Other managers including the IT Systems Manager and heads of department are responsible for the authorisation of spending within agreed budgets, but limits have been set in the Financial Regulations above which the senior management team must be made aware of proposed expenditure. A detailed Scheme of Delegation has been agreed by the governing body and sets out the responsibilities and delegated authority of relevant individuals.

e. Connected organisations, including related party relationships

The Academy has established a partnership with Lincolnshire Co-operative, a major business operation encompassing a range of individual businesses. This leading edge partnership is demonstrating how a modern business and school can work together in an innovative, sustainable and effective way. It has been a key element in creating, sustaining and developing an extensive range of curriculum projects and enrichment activities. It has enabled the Academy to promote a business ethics agenda that resonates with our young people. The partnership involves a steering group, joint budget, project co-ordinator and regular meetings between senior personnel of both organisations. A senior Lincolnshire Co-operative manager has been co-opted onto the governing body of the Academy (see note 25).

Branston Community Academy is a member of the Lincoln Specialist Schools Group (LSSG), a co-operative forum for seven specialist schools in the Lincoln area, some of which also have academy status. This furthers the charitable activities of Branston Academy Trust, particularly through the sharing of expertise and resources to deliver additional A level courses using high definition video conferencing technologies. Other collaborative activities include staff development, GCSE Maths days, Sports and Arts celebrations. A Principal Finance Officers / Business Managers group is working together on mutual support for business activities including collective and collaborative procurement.

f. Risk management

The Governors have identified the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors are satisfied that appropriate systems and procedures are in place to mitigate exposure to the major risks, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Systems in place include operational procedures for vetting of new staff and visitors, supervision of the school grounds and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The major risks are considered in more detail in the section Principal Risks and Uncertainties.

g. Governors' indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of the governors.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

h. Principal activities

The principal object and activity of the charitable company is the operation of Branston Academy Trust to provide education for students of all abilities between the ages of 11 and 19 with an emphasis on our specialist areas.

The main objectives of Branston Academy Trust during the period ended 31st August 2012 are summarised below:

- to ensure that every student receives the same high quality education
- to raise the standard of educational achievement for all of our students
- to improve the educational provision of the Academy by keeping the curriculum and all operations of the Academy under constant review
- to provide value for money on the spending of public money
- to comply with all appropriate statutory and curriculum requirements
- to maintain links with the wider community including through our on-site community provision and to provide recreation and leisure facilities in the interests of social cohesion and the wider community.
- to conduct Branston Community Academy business in accordance with the highest standards of integrity, probity and openness
- to work with other educational providers to advance the quality of education across the City of Lincoln and its surrounding area.

Objectives and Activities

a. Objects and aims

The Academy Trust's objects and aims as set out in the articles of association and funding agreement are described above in the section Principal Activities.

b. Objectives, strategies and activities

Branston Community Academy is a place of learning where the principal objective is to provide very high academic standards which are complemented and supported by first class pastoral care and guidance.

We promote values that support the achievement of that vision, particularly ambition and compassion. We believe that these values can and should be complementary rather than in opposition.

The curriculum strategy recognises that the Academy serves an intake that mirrors the national average profile. As a result we need a curriculum that meets the needs of those requiring a traditional academic experience and other young people who need a curriculum that has a rich applied and work related learning component. The ability of our curriculum to meet those disparate needs extremely effectively is an undoubted strength of the Academy.

c. Equality

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment when required, by making support resources available and through training and career development. Door widths are adequate to enable wheelchair access to all the main areas of the Academy and several disabled toilets are installed. The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contributions and needs of all people are fully valued.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

d. Public benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. The core business activity of the Trust is providing secondary education for the public benefit in the south Lincoln area.

An admissions policy is reviewed and published annually. These arrangements are determined in line with the School Admissions Code.

In addition, the Academy Trust provides a community nursery, community library and facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the local community.

Achievements and performance

a. Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Key financial performance indicators

Financial performance indicators commonly used to monitor the financial performance of schools are set out in the table below, together with some standard financial ratios. Comparative information from the previous two financial years is provided. Whole-year adjustments have been made for 2010-11, a short period of 9 months following academy conversion, as figures would otherwise be meaningless.

	2010-11	2011-12	2012-13
Staff costs as a % of total costs	72.9%	68.45%	63.27%
Pupil to teacher ratio	17.35	17.70	17.80
Average teaching post cost *	£49,572	£49,229	£50,691
Average cost per pupil (total)*	£5,244	£5,431	£5,841
Average direct cost per pupil*	£4,471	£4,410	£4,431
Teacher cost per pupil*	£2,856	£2,780	£2,845
Support staff cost per pupil	-	£808	£864
Occupancy costs as a % of total costs	9.26%	11.82%	19.56%
% of total income other than from grants and delegated funding	7.52%	7.71%	7.34%
Operating surplus	£632,714	£741,639	£309,305
Working capital	5.96:1	4.31:1	13.79:1
Public equity	£846,917	£1,390,280	£1,708,616

*2010-11 figure grossed up from 9 months to 12 months.

Staff salaries make up the greatest proportion of the school budget, so staff salaries as a % of total costs are a key indicator of the financial health of the school. This figure has reduced slightly during 2012-13 from previous years and at under 65% can be seen as an indicator that the Academy has sufficient funds available to meet other demands on revenue funding. The average teaching cost per pupil has risen slightly, which reflects a small decrease in pupil numbers. The pupil / teacher ratio is a key performance indicator of the teaching resource available to carry out the core business of providing education. This and other indicators such as the average direct cost have remained relatively static over the first three years of academy operation. During the year, the academy has invested heavily in its premises, beginning a major project to increase the capacity of the main hall, expand the nursery and improve teaching facilities in music and drama. A significant programme of

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

underground pipework replacement also began. This capital and maintenance expenditure is reflected in the increase in occupancy costs as a percentage of total costs and a reduction in the operating surplus over the year. Working capital is an indicator of the organisation's ability to generate cash and meet its liabilities as they become due – this shows an increase on previous years due to a reduction in liabilities at the year end.

c. Review of activities

Student Achievement

The key performance indicator for Branston Community Academy is student achievement as this is the core purpose of the enterprise. Student achievement at the end of compulsory education has been in the top 10% for similar schools since 2006. Achievement of students in traditional academic courses is outstanding. For example in English and Maths student achievement has been 'significantly beyond expectations' for the last five years, up to and including 2013.

71% of Academy students in the Year 11 of 2013 gained at least 5 high grade passes (A*-C) including English and Maths. According to government value added information that would equate to performance in the top 10% of similar schools.

At Advanced Level 64% of all grades achieved by the Y13 of 2012 were at grade 'A*', 'A' or 'B'. For the fifth year in succession students achieved beyond value added expectations despite the very challenging targets set as a result of achievement at GCSE referred to above.

Curriculum and Extra-curricular Activities

The Academy curriculum pattern is constructed to allow students to follow traditional academic routes or to access one or more vocational options without identifying students in constricted 'pathways'. The quality and personalization of the curriculum is definitely a major factor in current success with student achievement.

A previous High Performing Specialist School, we are now part of the Leading Edge Programme (LEPP), responsible for sharing good and best practice within that community and beyond it. This expertise informs and supports the development of the curriculum, particularly at KS4 and KS5, and promotes breadth, relevance and flexibility in our provision. The Academy has twice had its curriculum used as a national case study. Alistair Douglas from the DfE contacted the Academy to include student achievement at Advanced level in a government special report about achievement of young people in state school 6th forms.

Students from the Academy participate to high standards in Cambridge Schools Debating competition. We are regularly the only, or one of the few state comprehensive schools competing at this level. The Academy regularly produces Arkwright scholars from the outstanding Technology department.

Pupil Premium

This is funding associated with the Government's commitment to deliver extra resources into schools for work with the 'disadvantaged'. Disadvantage is defined specifically as students entitled to receive free school meals (FSM) which is, perhaps, a somewhat blunt and simplistic mechanism to identify that need. There are smaller sums of funding per pupil available for children of service personnel. Put simply, we have decided to spend most of that funding on one to one academic mentoring time for students entitled to the pupil premium. Our methodology allows trained student support officers to work closely with students and ascertain the specific barriers to learning. Should those one to one discussions define the lack of a laptop as a barrier to learning then we purchase that resource by defined need rather than as an entitlement. We would argue that this is 'better value' spending of public money. During the year this provision was enhanced by the appointment of additional staff.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Business & Enterprise Activities

The Academy works very closely with Lincolnshire Co-operative, a major business operation encompassing a range of individual businesses. It showcases how a modern business and school can work together in an innovative, sustainable and effective way. It has been a key element in creating and developing an extensive range of curriculum projects and enrichment activities. During the year it was decided to appoint a business co-ordinator to oversee the work of this partnership as well as a range of other links to local businesses. This will take effect from September 2013.

General Performance Indicators

Benchmarked surveys from students, parents and staff have all given the highest possible category rating (outstanding) in the last five years. Responses from students, parents and staff are compared to responses from students, parents and staff nationally to the same questions to produce meaningful results.

All staff have regular performance management reviews. Ongoing monitoring of student attendance and staff absence enables appropriate support to be provided to individuals.

Community Activities

The Academy is proud of its community dimension; we manage a thriving Nursery and computer maintenance business and a community Library is used by our students as well as members of the public in a partnership operation with the library service. Academy pupils also host an annual Christmas lunch for senior citizens. During the year plans to expand these activities by the addition of a community gymnasium were agreed by the Governing Body. The facility is due to open in February 2014.

Equality

The Academy has continued to promote tolerance and understanding of different cultures, beliefs and other characteristics through its curriculum, pastoral activities and the way issues are dealt with on a day to day basis. Hard landscaping improvements have continued across the academy site during the year and this has provided an opportunity to upgrade physical access. In addition, automatic entrance doors were installed to improve access to the reception and administration building and disabled toilet facilities were improved.

Financial review

a. Financial and risk management objectives and policies

The extent of the Academy's exposure to financial risks including credit, cash flow and liquidity has been considered. The Academy's current assets are at present sufficient to meet immediate needs so cash flow is not considered a risk. Debtors are principally due to lettings and student music lessons, amounts are small and not material. A specialist courier collects banking weekly which minimises the risk of cash in transit. It is not considered that there is material risk from trade creditors. There is a material deficit on the LGPS defined benefit pension scheme, but to mitigate this risk the Academy has chosen to maintain its contributions at 21.5% instead of the 17.7% rate (future service 15.7% plus deficit reduction 2%) identified by the actuary, giving an increased deficit reduction contribution of 3.7%.

b. Principal risks and uncertainties

Risks may be classified as strategic, operational, financial, compliance and reputation, but in practice many risks will fall into more than one category.

The principal risk currently facing the Academy is the recruitment of students in Year 7 and Year 12, which have been identified as separate governing body strategic priorities. Year 7 numbers failed to reach the planned admission number (PAN) in 2012, the first time in many years. As a result the Academy is budgeting for reduced intake and mitigation measures include the standards agenda and primary partnerships. Year 12

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

recruitment continues to be a similar risk and there is a multi-faceted plan in place to mitigate this, focussing in particular on student support. Other high risks include reduction in 6th form funding which is set to continue until 2015-16 and changes in the school funding at a national level. There is a high risk of continued reduction in LACSEG and the impact of moves towards a national school funding formula is uncertain, while changes as a result of spending reviews are unpredictable. Budget contingency planning is the main mitigation measure.

Operational risks with the highest rating have been identified as relating to sustainability (fuel, utilities and waste expenditure) and financial benchmarking. Key controls are meticulous monitoring and benchmarking of energy expenditure, combined with regular review of contracts following best value principles. Moderate operational risks relating to the unpredictability of staffing costs are mitigated by means of flexible roles and budget contingencies, combined with detailed monthly monitoring. Individual projects and issues are risk assessed as they arise. Measures are also being put in place to reduce staff absence and consequential major additional supply costs.

The Financial Regulations and Scheme of Delegation detail the controls in place to ensure proper operation of the Academy's day to day finances. These are designed to ensure that:

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

The Academy premises are considered to be a very high risk because parts of the site are more than 50 years old, infrastructure such as underground piping is failing and significant investment could be required to safeguard the continuance of business operations. It was particularly welcome therefore that the academy received an Academies Capital Maintenance Fund (ACMF) this year to assess and rectify these issues. Significant work to replace leaking and poorly insulated underground pipework began in summer 2013 and will have reduced the risk of school closure due to heating problems in the following winter.

c. Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined an appropriate level of free reserves 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 £825,469 (note 20) but the governors consider it prudent to reduce this by the amount of the pension scheme liability of £437,000, leaving £396,598 available. Of this, £200,000 has been designated for special projects, which are principally related to the unpredictable responsibilities associated with maintaining a property, parts of which are over 50 years old and have known infrastructure issues. A further £100,000 is available for projects with community involvement such as the new gym (see Plans for Future Projects below) which cannot be wholly GAG-funded. The remainder is available for capital works if required.

The Academy's share of the Local Government Pension Scheme was showing a deficit of £437,000 at 31 August 2013. This is being addressed by means of increased employer contributions. The employer contribution rate currently being paid is 21.5%, which includes a deficit contribution of 3.7%. In the year ended 31 August 2011, the actuary reported that the required contribution rate was lower than had first been identified, giving the Academy the option to pay a revised rate of 17.7%. However, it was considered prudent in the light of disappointing asset returns to maintain the higher rate, which will be reviewed following the next valuation (as at 31 March 2013) which will affect contribution rates from April 2014.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

d. Principal funding

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

A grant of £162,000 was awarded to the academy during the year from the Academies Capital Maintenance Fund (ACMF). This was restricted to the replacement of end-of-life utilities services pipework which was considered a significant business risk as well as an ongoing drain on revenue funding designated for maintenance. The project associated with this grant spans the financial years 2012-13 and 2013-14 and £48,600 of this was received during the year ended 31 August 2013. The ACMF grant is treated as revenue funding because of the nature of the expenditure.

During the period ended 31 August 2013, total expenditure of £6,130,954 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period after transfers between funds and adjustments (excluding restricted fixed asset funds) was £318,336.

At 31 August 2013 the net book value of fixed assets was £7,326,161 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy or for its community activities.

e. Investments policy

The Academy's investment policy is set out in the Financial Regulations (812) and states that investments must be made only in risk-averse, ethical funds. During 2012-13 funds were invested in short, medium and long term bank deposits after careful consideration of the options and returns available. A significant amount was kept immediately available in case of unforeseen maintenance issues or known infrastructure issues relating to the age of the property.

Plans for the future

a. Future developments

The Academy is committed to maintaining its outstanding status and sustaining the existing high levels of student achievement (top quartile in GCSE core subjects, post 16 three-year averages Alis at +0.10 or better / CVA 1000 or better). A particular focus will be to monitor, review and implement changes to sustain standards as EBacc impacts on the KS4 curriculum pattern. Other curriculum-related priorities include the Branston learning skills programme and enrichment provision for gifted and talented students. The learning web continues to develop as a first class learning resource and it is anticipated that parent portal will become an effective tool for involving parents with their children's learning.

A new finance system was in use from 1 September 2012 facilitating greater flexibility in management reporting, more robust budget planning / strategic management and providing an integrated system for fixed assets and inventory management. During 2013-14 plans to improve financial operations and include the introduction of BACS and consideration of other electronic payment systems. Partnerships with members of the Lincoln Specialist Schools Group and primary school collaborations have already been established and ways of developing these partnerships for mutual benefit are being explored, including a collaborative group of principal finance officers and business managers.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Continued capital investment in the premises is planned – with reducing revenue expenditure and sustainability being the guiding principles. Three significant projects will continue into the new year:

- extension of the Concert Hall and jointly contracted improvements (nursery expansion, music block and drama);
- replacement of end-of-life pipework;
- gym for community and school use

Projects under consideration include solar shading and car park improvements which were put on hold during 2012-13. Prudent financial management is considered crucial in anticipation of challenging times ahead.

Funds held as custodian

None.

Members' liability


The Charitable Company has six members, each of whom 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.

Provision of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the members of the governing body on 16 December 2013 and signed on its behalf by:


.....
M Norman, Chair
Governor

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Principal, as Accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Branston Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the governors' responsibilities statement. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
M Norman, Chair	2	3
D Dearden, Vice Chair	3	3
P Baker	2	3
H Baxendale, Staff Governor	2	3
M Bell, Staff Governor	3	3
D Boyd	3	3
P Coathup	1	3
P Coombes	3	3
R Doe	3	3
V Foottit	3	3
N Harris	0	3
Rev S Jones-Crabtree	1	3
H Marriott, Staff Governor	3	3
R Woollen	3	3
J Wilcox	1	3
P Beighton, Principal	0	0

There have been no changes in the composition of the governing body and no particular governance-related challenges have arisen.

There are three main specialist committees which meet at least once per term (three times a year), plus the Standing Committee which meets monthly.

The Standing Committee has several functions, including fulfilling the role of the Academy's audit committee. It discusses any general issues concerning the well-being of the Academy and can act as a Steering Committee for business, directing issues to the agenda of specialist committees or the full governing body. It reacts, where necessary, to current issues needing a response before an appropriate full or committee meeting is held; it receives reports from the Principal on action considered significant enough to raise at once with the governing body. It receives monitoring reports on the budget in between meetings of the Finance and Resources Committee and has delegated powers to act on behalf of the governing body.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Curriculum & Staffing Committee has delegated powers to decide matters concerning the curriculum and staffing of the Academy. Each year this Committee discusses the following year's curriculum plan, and also the corresponding staffing plan, after which it needs to decide on an establishment figure for the coming year and discuss in general any associated strategies to achieve the required quantity and quality of staff. During the year the Committee will receive updates on major curriculum and staffing developments and receives and decides upon recommendations from the Principal on the general pattern of allowances within the Academy. Matters concerning individual members of staff must, for legal reasons, be decided upon by a small group and the Personnel Committee fulfils this role. Membership consists of the Chairman of Governors, the Chairman of the Curriculum and Staffing Committee and one other elected annually.

The Standards & Specialism Committee has delegated powers to consider and decide policy matters relating to the monitoring of performance and standards and the progress and development of the Academy specialism. In particular, the Committee receives annual reports from the Principal and/or senior post-holders on the Academy's self-evaluation of overall performance.

The Finance and Resources Committee is a committee of the main governing body. Its purpose is to take responsibility for all matters concerning the maintenance and development of buildings, for financial matters, including the creation of the annual budget and its subsequent monitoring.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
M Norman	2	3
D Dearden	3	3
M Bell	2	3
P Coathup	1	3
V Foottit	1	3
R Woollen	3	3
J Wilcox	0	3
P Beighton	3	3

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the 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 (as set purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

It is anticipated that accurate budget planning, control and monitoring will become increasingly important as the academy's funding becomes tighter and reserves lower. The new finance and budget planning software introduced for the 2012-13 financial year helps to mitigate these risks, in particular by providing much more accurate projections of staffing costs and by providing monthly monitoring reports on commitments as well as expenditure.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, from April 2013 the Academy's external auditors, BDO LLP, have been engaged to perform additional agreed upon procedures. Prior to this, Mrs Greta Lawrence, a former Bursar of the establishment, was the Academy's Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the governing body receives reports on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. Appropriate action is taken on all significant matters raised in reports from the Responsible Officer and external auditors. No material control issues have arisen during the year ended 31 August 2013.


Review of Effectiveness

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

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

The Accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 16 December 2013 and signed on their behalf, by:


M Norman, Chair
Governor


P Beighton, Principal
Accounting officer

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



P Beighton, Principal
Accounting officer

Date: 16 December 2013

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who act as trustees of the Charitable Company and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' 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 Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements the Governors 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Academies Accounts Direction 2013. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy 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 Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors and signed on its behalf by:


.....
M Norman, Chair
for and on behalf of the board of governors
Date: 16 December 2013

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRANSTON ACADEMY TRUST

We have audited the financial statements of Branston Academy Trust ("the Academy") for the year 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency ("the EFA").

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 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2013. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of Branston Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRANSTON ACADEMY TRUST

Matters on which we are required to report by exception

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

- adequate and proper accounting records have not been kept in respect of the Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.

BDO LLP

Craig Burton (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Lincoln
United Kingdom

20 December 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRANSTON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 07 June 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the period 31 August 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 the Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the 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 the Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Branston Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 30 November 2010 and the Academies Financial Handbook as published by DfES in 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 31 August 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.

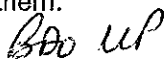
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

Conclusion

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


BDO LLP
Lincoln

20 December 2013

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Activities for generating funds	3	457,955	-	-	457,955	446,780
Investment income	4	-	16,844	-	16,844	-
Incoming resources from charitable activities	5	-	5,966,768	-	5,966,768	6,154,548
TOTAL INCOMING RESOURCES		457,955	5,983,612	-	6,441,567	6,601,328
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	3	359,041	-	-	359,041	165,753
Charitable activities	10	-	5,461,788	294,270	5,756,058	5,677,072
Governance costs	6	-	15,855	-	15,855	16,864
TOTAL RESOURCES EXPENDED	9	359,041	5,477,643	294,270	6,130,954	5,859,689
NET INCOMING RESOURCES BEFORE TRANSFERS		98,914	505,969	(294,270)	310,613	741,639
Transfers between Funds	20	41,011	(383,250)	342,239	-	-
NET INCOME FOR THE YEAR		139,925	122,719	47,969	310,613	741,639
Actuarial gains and losses on defined benefit pension schemes		-	57,000	-	57,000	(170,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		139,925	179,719	47,969	367,613	571,639
Total funds at 1 September 2012		685,544	704,736	7,278,192	8,668,472	8,096,833
TOTAL FUNDS AT 31 AUGUST 2013		825,469	884,455	7,326,161	9,036,085	8,668,472

All activities relate to continuing operations.

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

The notes on pages 22 to 41 form part of these financial statements.


BRANSTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7419660

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	16		7,326,161		7,278,192
CURRENT ASSETS					
Stocks	17	675		2,957	
Debtors	18	186,947		580,911	
Cash at bank		2,125,734		1,836,296	
		<u>2,313,356</u>		<u>2,420,164</u>	
CREDITORS: amounts falling due within one year	19	(166,432)		(561,884)	
NET CURRENT ASSETS			<u>2,146,924</u>		<u>1,858,280</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,473,085</u>		<u>9,136,472</u>
Defined benefit pension scheme liability	26		<u>(437,000)</u>		<u>(468,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,036,085</u></u>		<u><u>8,668,472</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	1,321,455		1,172,736	
Restricted fixed asset funds	20	7,326,161		7,278,192	
		<u>8,647,616</u>		<u>8,450,928</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(437,000)</u>		<u>(468,000)</u>	
Total restricted funds			<u>8,210,616</u>		<u>7,982,928</u>
Unrestricted funds	20		<u>825,469</u>		<u>685,544</u>
TOTAL FUNDS			<u><u>9,036,085</u></u>		<u><u>8,668,472</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 16 December 2013 and are signed on their behalf, by:


.....
M Norman, Chair


.....
P Beighton, Principal

The notes on pages 22 to 41 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	22	648,521	1,205,631
Returns on investments and servicing of finance	23	(16,844)	(14,926)
Capital expenditure and financial investment	23	(342,239)	(274,777)
INCREASE IN CASH IN THE YEAR		<u>289,438</u>	<u>915,928</u>

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

	2013 £	2012 £
Increase in cash in the year	<u>289,438</u>	<u>915,928</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>289,438</u>	<u>915,928</u>
Net funds at 1 September 2012	1,836,296	920,368
NET FUNDS AT 31 AUGUST 2013	<u>2,125,734</u>	<u>1,836,296</u>

The notes on pages 22 to 41 form part of these financial statements.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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. 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 Governors 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 Governors.

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.

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

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the Academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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

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 ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern.

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.

Depreciated replacement cost has been used as the basis for the valuation of freehold buildings transferred from Branston Community College to the Academy on its formation at a total value of £7million. A reinstatement valuation for insurance purposes was used to attribute as assessment of current costs to the individual major building units. Known costs of approximately £1million for building projects undertaken during the last 10 years were added to this in respect of improvements. This total was then discounted to take account of the age and condition of each unit using an estimated useful life of 50 years as benchmark.

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

Freehold property	-	2% straight line
Plant and machinery	-	15% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, 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 ACADEMY TRUST
(A company limited by guarantee)

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

2. GENERAL ANNUAL GRANT (GAG)

	2013 £
Result and Carry Forward for the year	
GAG Brought forward from previous year	811,669
GAG Allocation for current year	5,485,949
	<hr/>
Total GAG Available to spend	6,297,618
Recurrent expenditure from GAG	(5,052,320)
Fixed assets purchased from GAG	(342,239)
Pension scheme funding	-
	<hr/>
GAG Carried forward to next year	903,059
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(658,314)
	<hr/>
GAG to surrender to DfE	244,745
	<hr/> <hr/>
(12% rule breached if result is positive)	Breach
Use of GAG brought forward from previous year for recurrent purposes	
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes, Any balance, up to a maximum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current year	5,052,320
GAG allocation for current year	(5,485,949)
GAG allocation for previous year x 2%	(110,512)
	<hr/>
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(544,141)
	<hr/> <hr/>
(2% rule breached if result is positive)	No breach

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

	2012 £
Result and Carry Forward for the year	
GAG Brought forward from previous year	383,332
GAG Allocation for current year	5,525,615
Total GAG Available to spend	5,908,947
Recurrent expenditure from GAG	(4,815,501)
Fixed assets purchased from GAG	(274,777)
Pension scheme funding	(7,000)
GAG Carried forward to next year	811,669
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(663,074)
GAG to surrender to DfE	148,595
(12% rule breached if result is positive)	Breach
Use of GAG brought forward from previous year for recurrent purposes	
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes, Any balance, up to a maximum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current year	4,815,501
GAG allocation for current year	(5,525,615)
GAG allocation for previous year x 2%	(78,507)
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(788,621)
(2% rule breached if result is positive)	No breach

The GAG Carried forward to next year of £903,058 breaches the maximum permitted carry forward of £658,314. This is due to planned capital projects that are due to be undertaken in the next financial year, which is in line with guidelines from the EFA and as such no claw-back is required to be provided for.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Charity trading income			
Nursery income	132,353	132,353	150,113
Catering income	202,448	202,448	208,757
Other income	123,154	123,154	87,910
	<u>457,955</u>	<u>457,955</u>	<u>446,780</u>
Fundraising trading expenses			
Nursery expenditure	125,004	125,004	-
Catering expenditure	206,415	206,415	162,087
Other expenditure	27,622	27,622	3,666
	<u>359,041</u>	<u>359,041</u>	<u>165,753</u>
Net income from activities for generating funds	<u>98,914</u>	<u>98,914</u>	<u>281,027</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Bank interest	<u>-</u>	<u>16,844</u>	<u>16,844</u>	<u>-</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Funding for the academy's educational operations	5,966,768	5,966,768	6,154,548

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA revenue grant			
General annual grant	5,485,949	5,485,949	5,525,615
Other DfE/EFA grants	199,157	199,157	81,498
DfE/EFA capital maintenance grants	73,774	73,774	293,826
	<u>5,758,880</u>	<u>5,758,880</u>	<u>5,900,939</u>
Other government grants			
SEN grants	104,911	104,911	123,215
	<u>104,911</u>	<u>104,911</u>	<u>123,215</u>
Other funding			
Local authority and other grants	102,977	102,977	130,394
	<u>102,977</u>	<u>102,977</u>	<u>130,394</u>
	<u>5,966,768</u>	<u>5,966,768</u>	<u>6,154,548</u>

6. GOVERNANCE COSTS

	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditor's remuneration	10,000	10,000	11,500
Auditor's non audit costs	5,855	5,855	5,364
	<u>15,855</u>	<u>15,855</u>	<u>16,864</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

7. DIRECT COSTS

	Funding for the academy's educational operations £	Total 2013 £	Total 2012 £
Net interest on Pension scheme liability (note 15)	10,000	10,000	9,000
Teaching and education	51,327	51,327	68,149
Depreciation	294,270	294,270	246,501
Technology costs	138,526	138,526	92,347
Educational supplies	202,226	202,226	132,953
Examination fees	158,084	158,084	136,452
Staff development	33,674	33,674	30,339
Recruitment and support	15,810	15,810	3,771
Other costs	45,178	45,178	72,367
Legal and professional	20,876	20,876	18,521
Wages and salaries	2,907,968	2,907,968	3,035,193
National insurance	226,092	226,092	225,654
Pension cost	442,842	442,842	406,467
	<u>4,546,873</u>	<u>4,546,873</u>	<u>4,477,714</u>

8. SUPPORT COSTS

	Funding for the academy's educational operations £	Total 2013 £	Total 2012 £
Maintenance of premises and equipment	556,668	556,668	583,994
Cleaning	29,665	29,665	34,765
Rent and rates	21,205	21,205	34,485
Energy costs	144,031	144,031	106,232
Insurance	75,192	75,192	65,216
Security and transport	11,673	11,673	9,852
Catering	20,235	20,235	14,734
Other support costs	21,633	21,633	17,628
Wages and salaries	276,072	276,072	278,661
National insurance	11,312	11,312	11,333
Pension cost	41,499	41,499	42,458
	<u>1,209,185</u>	<u>1,209,185</u>	<u>1,199,358</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Fundraising expenses	199,603	159,438	359,041	165,753
Costs of generating funds	199,603	159,438	359,041	165,753
Funding for the academy's educational operations	3,905,785	1,850,273	5,756,058	5,677,072
Governance	-	15,855	15,855	16,864
	4,105,388	2,025,566	6,130,954	5,859,689

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Funding for the academy's educational operations	4,546,873	1,209,185	5,756,058	5,677,072

11. NET INCOMING RESOURCES

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the charity	294,270	246,501
Auditor's remuneration	10,000	11,500

During the year, no Governors received any benefits in kind (2012 - £NIL).

During the year, no Governors received any reimbursement of expenses (2012 - £NIL).

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

12. STAFF COSTS

Staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	3,373,538	3,313,854
Social security costs	239,840	236,987
Other pension costs (Note 26)	492,011	448,925
	<hr/> 4,105,389	<hr/> 3,999,766
Supply teacher costs	6,667	15,144
Compensation payments	9,495	-
Agency staff costs	35,717	53,005
	<hr/> 4,157,268 <hr/>	<hr/> 4,067,915 <hr/>

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

	2013	2012
	No.	No.
Teachers	60	61
Administration and support	55	55
Management	7	7
	<hr/> 122 <hr/>	<hr/> 123 <hr/>

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

	2013	2012
	No.	No.
In the band £60,001 - £70,000	3	0
In the band £90,001 - £100,000	1	1
	<hr/> 4 <hr/>	<hr/> 1 <hr/>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

13. GOVERNORS' REMUNERATION

During the year retirement benefits were accruing to 4 Governors (2012 - 4) in respect of defined benefit pension schemes.

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

	2013 £	2012 £
P Beighton - Principal and trustee	95,000-100,000	95,000-100,000
H Baxendale - Staff governor and trustee	45,000-50,000	45,000-50,000
M Bell - Staff governor and trustee	45,000-50,000	45,000-50,000
H Marriot - Staff governor and trustee	20,000-25,000	20,000-25,000

14. GOVERNORS' AND OFFICERS' INSURANCE

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 £2 million on any one claim and the cost for the year ended 31 August 2013 was £1,016 (2012 - £1,016).

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

15. NET INTEREST ON PENSION SCHEME LIABILITY

	2013 £	2012 £
Expected return on pension scheme assets	55,000	53,000
Interest on pension scheme liabilities	(65,000)	(62,000)
	<u>(10,000)</u>	<u>(9,000)</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

16. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2012	7,067,223	91,567	296,387	247,130	7,702,307
Additions	115,442	-	137,380	89,417	342,239
At 31 August 2013	<u>7,182,665</u>	<u>91,567</u>	<u>433,767</u>	<u>336,547</u>	<u>8,044,546</u>
Depreciation					
At 1 September 2012	246,928	19,250	45,176	112,761	424,115
Charge for the year	143,543	14,865	47,393	88,469	294,270
At 31 August 2013	<u>390,471</u>	<u>34,115</u>	<u>92,569</u>	<u>201,230</u>	<u>718,385</u>
Net book value					
At 31 August 2013	<u>6,792,194</u>	<u>57,452</u>	<u>341,198</u>	<u>135,317</u>	<u>7,326,161</u>
At 31 August 2012	<u>6,820,295</u>	<u>72,317</u>	<u>251,211</u>	<u>134,369</u>	<u>7,278,192</u>

17. STOCKS

	2013 £	2012 £
Consumable items	<u>675</u>	<u>2,957</u>

18. DEBTORS

	2013 £	2012 £
Trade debtors	22,216	23,617
Other debtors	96,887	521,140
Prepayments and accrued income	67,844	36,154
	<u>186,947</u>	<u>580,911</u>

19. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Social security and other taxes	12,741	-
Other creditors	69,997	499,407
Accruals and deferred income	83,694	62,477
	<u>166,432</u>	<u>561,884</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other unrestricted funds	654,237	325,602	(225,218)	41,011	-	795,632
Nursery fund	31,307	132,353	(133,823)	-	-	29,837
	<u>685,544</u>	<u>457,955</u>	<u>(359,041)</u>	<u>41,011</u>	<u>-</u>	<u>825,469</u>
Restricted funds						
General Annual Grant (GAG)	811,669	5,485,949	(5,052,320)	(342,239)	-	903,059
Other DfE/EFA grants	29,414	84,109	(79,430)	-	-	34,093
SEN grants	-	104,911	(104,911)	-	-	-
Local Authority and other grants	79,293	53,131	(5,600)	-	-	126,824
Nursery fund	-	46,590	(46,590)	-	-	-
Capital maintenance grants	22,914	51,600	(50,727)	-	-	23,787
Capital grants	188,435	22,174	-	-	-	210,609
Other restricted grants and income	41,011	16,844	-	(41,011)	-	16,844
Pupil premium	-	118,304	(112,065)	-	-	6,239
Pension reserve	(468,000)	-	(26,000)	-	57,000	(437,000)
	<u>704,736</u>	<u>5,983,612</u>	<u>(5,477,643)</u>	<u>(383,250)</u>	<u>57,000</u>	<u>884,455</u>
Restricted fixed asset funds						
Fixed asset fund	7,278,192	-	(294,270)	342,239	-	7,326,161
Total restricted funds	<u>7,982,928</u>	<u>5,983,612</u>	<u>(5,771,913)</u>	<u>(41,011)</u>	<u>57,000</u>	<u>8,210,616</u>
Total of funds	<u>8,668,472</u>	<u>6,441,567</u>	<u>(6,130,954)</u>	<u>-</u>	<u>57,000</u>	<u>9,036,085</u>

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

General Annual Grant (GAG)

These are expended on the provision of education, including associated support functions, and on the Academy's related community activities. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Other DfE/EFA grants

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS (continued)

SEN grant

Funds received specifically for use on pupils with special educational needs.

Local Authority and other grants

Funds received from the local authority for specific projects.

Nursery fund

Funds received for use on the community nursery provision.

Capital maintenance grants and capital grants

Funds received from various bodies for the purposes of capital and repairs works.

Other restricted grants and income

Funds generated in relation to other specific grants and income.

Pupil premium

Funds received for the purposes of providing additional support to pupils who receive free school meals.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

Other unrestricted funds

These are used in support of the Academy's educational and community activities.

£200,000 of other unrestricted funds has been set aside for special projects which are principally related to property infrastructure issues.

Transfers

During the year, fixed asset additions of £342,239 were purchased from the GAG funds. These have been appropriately transferred to the fixed asset fund.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	685,544	457,955	(359,041)	41,011	-	825,469
Restricted funds	704,736	5,983,612	(5,477,643)	(383,250)	57,000	884,455
Restricted fixed asset funds	7,278,192	-	(294,270)	342,239	-	7,326,161
	<u>8,668,472</u>	<u>6,441,567</u>	<u>(6,130,954)</u>	<u>-</u>	<u>57,000</u>	<u>9,036,085</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	7,326,161	7,326,161	7,278,192
Current assets	825,469	1,487,886	-	2,313,355	2,420,164
Creditors due within one year	-	(166,431)	-	(166,431)	(561,884)
Provisions for liabilities and charges	-	(437,000)	-	(437,000)	(468,000)
	<u>825,469</u>	<u>884,455</u>	<u>7,326,161</u>	<u>9,036,085</u>	<u>8,668,472</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before revaluations	310,613	741,639
Returns on investments and servicing of finance	16,844	14,926
Depreciation of tangible fixed assets	294,270	246,501
Decrease in stocks	2,282	2,302
Decrease/(increase) in debtors	393,964	(122,321)
(Decrease)/increase in creditors	(395,452)	329,584
FRS 17 adjustments	26,000	(7,000)
Net cash inflow from operations	<u>648,521</u>	<u>1,205,631</u>

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	<u>(16,844)</u>	<u>(14,926)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(342,239)</u>	<u>(274,777)</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

24. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	1,836,296	289,438	-	2,125,734
Net funds	<u>1,836,296</u>	<u>289,438</u>	<u>-</u>	<u>2,125,734</u>

25. CAPITAL COMMITMENTS

At 31 August 2013 the Academy had capital commitments as follows:

	2013 £	2012 £
Contracted for but not provided in these financial statements	<u>650,000</u>	<u>-</u>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

26. 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 Hymans Robertson LLP. Both are defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the 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 investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, 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. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 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 and the implications for the Academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £176,000, of which employer's contributions totalled £137,000. The agreed contribution rates for future years are 15.7% for employers and 5.5 - 7.5% for employees. The Academy has chosen to maintain its contributions at its originally assessed rate of 21.5% in view of the deficit and level of returns achieved in the scheme investments. This represents a deficit contribution rate of 3.7%.

The amounts recognised in the balance sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(1,787,000)	(1,483,000)
Fair value of scheme assets	1,350,000	1,015,000
	<hr/>	<hr/>
Net liability	(437,000)	(468,000)
	<hr/>	<hr/>

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

	2013 £	2012 £
Current service cost	(153,000)	(113,000)
Interest on obligation	(65,000)	(62,000)
Expected return on scheme assets	55,000	53,000
	<hr/>	<hr/>
Total	(163,000)	(122,000)
	<hr/>	<hr/>
Actual return on scheme assets	160,000	81,000
	<hr/>	<hr/>

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

	2013 £	2012 £
Opening defined benefit obligation	1,483,000	1,074,000
Current service cost	153,000	113,000
Interest cost	65,000	62,000
Contributions by scheme participants	39,000	37,000
Actuarial Losses	47,000	197,000
	<u>1,787,000</u>	<u>1,483,000</u>
Closing defined benefit obligation	<u>1,787,000</u>	<u>1,483,000</u>

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

	2013 £	2012 £
Opening fair value of scheme assets	1,015,000	769,000
Expected return on assets	55,000	53,000
Actuarial gains	104,000	27,000
Contributions by employer	137,000	129,000
Contributions by employees	39,000	37,000
	<u>1,350,000</u>	<u>1,015,000</u>

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses was £129,000 (2012 - £186,000).

The Academy expects to contribute £146,000 to its defined benefit pension scheme in 2014.

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

	2013	2012
Equities	6.60 %	5.50 %
Bonds	4.30 %	3.70 %
Property	4.70 %	3.70 %
Cash	3.60 %	2.80 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	6.10 %	5.00 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

BRANSTON ACADEMY TRUST
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

	2013	2012
Retiring today		
Males	21.2 years	21.2 years
Females	23.4 years	23.4 years
Retiring in 20 years		
Males	23.7 years	23.7 years
Females	25.7 years	25.7 years

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2013	2012	2011
	£	£	£
Defined benefit obligation	(1,787,000)	(1,483,000)	(1,074,000)
Scheme assets	1,350,000	1,015,000	769,000
Deficit	(437,000)	(468,000)	(305,000)
Experience adjustments on scheme liabilities	(47,000)	(197,000)	(13,000)
Experience adjustments on scheme assets	104,000	27,000	(29,000)