

**Company Registration No. 07909140 (England and Wales)**

**BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

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# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	Rev. S.Bain RP Thorndyke Rev. R.Bradshaw J. Mulvaney
<b>Trustees</b>	J Mulvaney (Chair) (Resigned 14 October 2014) M Stouph (Chair) * P Thompson (Accounting officer) * Rev D Tolhurst (Chair) (Appointed 15 October 2014) J Murray * S Holden * J Logan A Atkinson J Farnsworth * Rev S Thorp (Appointed 11 September 2013) Councillor C Marshall (Appointed 1 September 2013) E Whelam-Tate (Appointed 19 September 2013) L Norton (Appointed 19 September 2013) J Little V Leadley (Resigned 8 May 2014) C Mitchell (Appointed 18 December 2013)  * members of the finance committee
<b>Senior management team</b>	
- Principal	P Thompson
- Deputy Headteacher	S Armstrong
- Assistant Headteacher	G Clark
- Academy Business Manager	J Prandle (resigned August 2014)
<b>Company secretary</b>	C Henderson
<b>Company registration number</b>	07909140 (England and Wales)
<b>Principal address</b>	Marcross Drive Moorside Sunderland Tyne & Wear SR3 2RE
<b>Independent auditor</b>	Evolution Business and Tax Advisors LLP 10 Evolution Wynyard Park Wynyard TS22 5TB

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

QualitySolicitors BHP Law LLP  
Kepier House  
Belmont Business Park  
Durham  
County Durham  
DH1 1TW

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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The trustees present their annual report together with the audited financial statements and auditor's report of the charitable company for the period 1st September until 31 August 2014. The annual report serves the purposes of both a trustees report, and a directors' report under company law.

The Trust operates a Church of England Academy for pupils aged 3-11 years, serving a community in South Sunderland, admitting pupils who are wholly or mainly drawn from the area in which the school is situated. The Academy provides education for pupils of different abilities. The Academy has a curriculum satisfying the requirements of Section 1: Academies Act 2010 (balanced and broad based curriculum). The Academy is at the heart of the community, promoting British values.

The Academy has a pupil capacity of 210 with 30 pupils in nursery and had a roll of 254 in the school census on 15th January 2014.

### **Structure, governance and management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity (company number 07909140). The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The articles of association require the members of the Charitable Company to be responsible for the statutory and constitutional affairs of the charitable company and management of the Academy.

The Governing Body act as the trustees for the charitable activities of Benedict Biscop Church of England Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Benedict Biscop Church of England Academy. In this report the Governing Body are the collective name for the Directors and Trustees.

Details of the Trustees who served throughout the period between 1st September 2013 and 31st August 2014, except as noted, are included in the Reference and Administrative Details on Page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

Every trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2014**

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#### **Method of recruitment and appointment or election of Trustees**

Membership is determined in accordance with the composition set out in Article 12 onwards. This states that the Academy Trust is comprised as follows:

- 4 Directors
  - 1 of whom is the Chair of Trustees
  
- 9 Foundation Trustees
  - 1 ex-officio appointed by Area Dean of Wearmouth
  - 2 Deanery Synod appointed by Wearmouth Deanery Executive
  - 3 Foundation Parents appointed by other Foundation Trustees supported by Area Dean of Wearmouth
  - 2 Board of Education representatives appointed by the Board of Education
  - 1 Bishop of Durham representative appointed by the Bishop of Durham through Director of Education
  - 7 Non-Foundation Trustees
    - 2 Staff Trustees elected by staff employed at the Academy
    - 2 Parent Trustees elected by parents of pupils registered at the Academy
    - 2 co-opted appointed by the Governing Body and/or the Academy Trust Directors
    - 1 ex-officio being the Principal

The Academy Trustees are responsible for appointing the 9 Foundation trustees in discussion with the body they represent. The Principal is responsible for ensuring elections of Parent (Articles 53-58) and Staff Trustees (Articles 50A) are held in accordance with procedures. The full Governing Body are responsible for co-opting up to 2 trustees onto the Academy Trust whose skills are invaluable to the Academy under Article 59. The Principal should be treated for all purposes as being an Ex-Officio Trustee.

The term of office of any Trustee shall be 4 years. The limit shall not apply to the Headteacher. Notwithstanding this, any Trustee may be reappointed or re-elected.

#### **Policies and procedures adopted for the induction and training of Trustees**

Although a formal policy for induction and training of Trustees has not been agreed as this is currently under review, training is provided by South Tyneside Council through their training programme (which is open to all Trustees). The following training has specifically taken place for our Trustees:

- Induction of newly appointed Trustees provided by South Tyneside Local Authority
- Curriculum Development
- Assessment Development
- Safer recruitment of staff
- Safeguarding the welfare of pupils

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2014***

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#### Organisational structure

The Academy's unified management structure consist of 3 levels: the Trustees, the Senior Leadership Team (SLT) and the Academy Business Manager.

The trustees are responsible for determining general policy, adopting an annual School Improvement Plan following a self-evaluation review, monitoring the practices and procedures adopted by the Academy, determining strategic direction of the academy, capital expenditure and senior staff appointments. They delegate the day to day operational management to the SLT who follow policies determined by and adopted by the trustees.

The SLT consists of the Principal, Deputy Principal and Assistant Principal. They are supported by the Inclusion Manager and Foundation Stage Leader. The SLT lead and manage the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Principal and Trustees are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and Finance Handbook and the appointment of staff.

The Academy Business Manager is responsible for the management of the financial systems, sourcing additional funds, ensuring efficient and effective use of resources. The Academy Business Manager is responsible for authorisation of spending up to agreed limits as stated in the Scheme of Delegation and Finance Handbook. The Academy Business Manager is responsible for the management of all support staff and efficient operation of the school office.

The Principal is the Accounting Officer.

#### Connected organisations including related party relationships

Trustees have declared no business interests to date and where any trustees should declare an interest, procedures are in place to address this. The Academy have adopted a policy that if there are any interests declared, the trustee would remove themselves from the decision making process.

Related parties at Benedict Biscop Church of England Academy are the Diocese, the Deanery and the church community, with regular information sent to the Director of Education.

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2014**

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#### **Objectives and activities**

##### Objects and aims

The principal objective and activity of the charitable company, Benedict Biscop Church of England Academy is to provide education for pupils of different abilities between the ages of 3-11. In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

Benedict Biscop Church of England Academy is non-selective and offers all pupils a broad curriculum. The pupils who attend live mainly in the Doxford Ward of the City of Sunderland, although during 2013-14, families who wished to apply for a Church place could do so if they resided in the Wearmouth Deanery. This category has been removed from 2015. To assist academic achievement and to support parents returning to work or part time/ full time education, the Academy operates a breakfast club, after school care facilities and flexible wrap around nursery provision. The Academy also offers its pupils activities and experiences beyond the school day, many pupils of all ages participate in a variety of experiences which enhance learning and social development, for which the school has been awarded the Advanced Study Support Award.

The Academy organises various visits to develop learning beyond the classroom and there is a developing partnership with China and 10 other European countries through the Comenius project to raise global awareness and educate pupils about cultural differences and similarities. Pupils have travelled to France and Italy during this year.

##### Mission

The Academy will create a safe, stimulating and happy learning environment within which all members of our school family realise their potential, aspiring to excellence in all aspects of life, in the light of the Christian faith.

##### School aims

- To promote Christian values within the school as exemplified by the life and teaching of Jesus Christ, so that everyone develops confidence in their own ability, with healthy self-esteem, working collaboratively, showing tolerance, commitment, responsibility, respect and care for everyone.
- To stimulate in each child a sense of curiosity and excitement about the world and to encourage him/her to search for truth, meaning and purpose in life and to provide an opportunity to search for a faith by which to live.
- To encourage each member of the school community to develop their full potential by promoting the highest standards of achievement in all areas, to enable pupils to grow and achieve fullness of life through discovering and developing their talents.
- To provide a broad and balanced curriculum which will develop lively enquiring minds to prepare each child to meet the challenges of the future with confidence.
- To provide a welcoming, stimulating learning environment in which the contributions of all members of the school community are valued and celebrated.
- To develop strong links and positive relationships with Trustees, parents, the Church, local industry and local communities.

Our values are developed through the curriculum and made real in our daily lives.

##### Objectives, strategies and activities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance and public benefit.

Objectives for 2013-14 specifically are as follows and are linked to the Academy Improvement Plan.



# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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- To ensure all standard operating procedures are reviewed and adapted to ensure Academy is sustainable with new Office management team.
- To maintain high standards and secure outstanding outcomes for all pupils in all phases.
- To secure further improvements in mathematics and reading at the high levels. To secure improvements in Grammar, Punctuation and Spelling for low attainers
- To introduce the new Academy curriculum based on the new National Statutory Curriculum and define new assessment systems making relevant adjustments to teaching and provision.
- To establish the Academy within Prince Bishop Teaching school Alliance as a centre for School to school support, Initial Teacher training and Research and Development.
- To support 3 middle leaders develop and successfully attain NPQML.
- To further develop Initial Teacher Training partnership to train high quality teachers for succession planning and systems leadership.
- To develop partnership with 5 European countries, developing understanding of pedagogy and cultural differences.
- To secure further improvement in reading attainment, with particular reference to high attainers.

### Public benefit

The Academy Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising its powers and duties. The standard of education offered to all pupils is outstanding and is referenced in the following section.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Strategic report

##### Achievements and performance

2013-14 The Academy has continued to attain high standards - well above national in all areas, demonstrating outstanding progress and attainment.

Ofsted 2012	Outstanding in all areas
Statutory Inspection Anglican Schools 2012	Outstanding in all areas
Gold Arts Mark Award	September 2013
Gold Investors in People	February 2014
Early Years Review	March 2014 (Outstanding)
Full International Award	August 2014

Teaching and Learning in all Key Stages outstanding (internal self-evaluation).

##### Phonics Screen 2014 results (Year 1)

###### Pass

<u>School</u>	<u>National</u>
97%	74%

##### Key Stage 1 2014 results

	<u>*Level 2+</u>		<u>Level 3</u>	
	<u>School</u>	<u>National</u>	<u>School</u>	<u>National</u>
Reading	97%	90 %	33%	31%
Writing	97%	86%	27%	16%
Mathematics	94%	92%	33%	24%

##### Key Stage 2 2014 results

	<u>*Level 4+</u>		<u>Level 5</u>		<u>Level 6</u>	
	<u>School</u>	<u>National</u>	<u>School</u>	<u>National</u>	<u>School</u>	<u>National</u>
Reading	97%	89%	52%	49%	0%	0%
Grammar,						
Punctuation and Spelling	84%	76%	71%	52%	13%	2%
Mathematics	97%	86%	55%	44%	13%	7%

\*age related expectation

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2014**

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These figures are yet to be validated by the Department for Education.

Aspirational targets are set for KS2 based on Family Fischer Trust Data (FFTD+) at the end of KS2, attainment at the end of KS2 is consistently outstanding overall.

The number of pupils, attaining Level 4 in both English and Mathematics (94%) exceed expectations by 12% and National (79%) by 15% indicating that measures introduced through intervention for less able pupils are successful. The number of pupils, attaining Level 5 in both English and Mathematics (42%) exceeded expectations by 9% and National (24%) by 18%. 10% pupils attained Level 6, in both English and Mathematics, an increase of 3% on previous year, indicating that measures put in place to challenge more able pupils are successful.

In order to further challenge pupils and to accelerate progress, a greater number of pupils were entered for Level 6 standardised tests (2014), 5 pupils attaining L6 in Writing, 3 pupils in Grammar, Punctuation and Spelling, and 3 pupils in Mathematics.

2014 progress KS1 to KS2 was outstanding overall. 100% pupils made 2 levels progress in English (11% above target) and 100% in Mathematics (12% above target) - well above local and national statistics. Pupils making 3 levels progress is improving and is high... Writing (71%), Reading (32%) and in Mathematics (35%). 6% pupils made 4 levels progress. This has been a focus of school improvement. There has been a significant number of pupils making 3 levels progress in both English and Mathematics due to an increase in good/outstanding teaching, an aspirational curriculum and through more accurate teacher assessment based on assessment in English across a wide curriculum range.

Attendance is 97.5% (2013 95.9%). During this year there has been a focus on attendance, working with a new team which has resulted in only 3 pupils (all nursery) having attendance below 90%. There has been no persistent absence this year.

#### **Key Performance Indicators**

Most of the Academy's income is received from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 23. Details of all grants and income received can be found in notes 2 to 5.

During the year ended 31st August 2014 expenditure amounting to £1,143,274 was incurred or accrued, including depreciation. This was offset by grants receivable from the EFA, the Local Authority and income from the breakfast club, afterschool clubs and wrap around nursery education used to ensure this business is sustainable.

At 31st August 2014 the net book value of fixed assets was £309,595. The assets were used to exclusively to provide education and associated services to the pupils of the Academy.

#### **Going concern**

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

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Financial review**

The Academy made operating surpluses in the year to 31st August 2014 of £13,373 on unrestricted funds and £93,029 on restricted general funds, before adjusting for the Local Government Pension Scheme. Fund balances held at 31st August 2014 were £373,484, comprising restricted reserves of £11,415 and unrestricted reserves of £52,473 and fixed asset reserves of £309,595.

Total income excluding the donated assets in the period was £1,202,083 of which £918,510 came from the EFA revenue grants and £123,695 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high, vacancies are filled and as the school is oversubscribed Trustees are able to consider a longer term strategy.

The Trustees of the Academy Trust have reviewed and adopted the following policies relating to Finance and Governance during 2013-14:

- Scheme of Delegation
- Academy Finance Handbook
- Anti-Bribery Policy
- Reserves Policy
- Investment Policy

### Reserves policy

The Trustees are responsible for determining the level of financial reserves to be carried forward at the end of any financial period. The Trustees have delegated the monitoring of potential period end reserves to the Finance and Resource Management Committee/Personnel Committee as part of their terms of reference.

The Trustees will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of General Annual Grant (GAG) income and other grants.

The Trustees will always try to match income with expenditure in the current period and will only carry forward reserves that it considers are necessary for future periods expenditure. The Trustees will consider the School Improvement Plan for capital developments required. The Trustees may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years.

At the meeting of the Finance and Resource Management Committee on 24th May 2012 it was agreed that the Academy should aim to carry a prudent level of resources designed to meet long term cyclical need of renewal and any unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. This is discussed annually.

The Academy are aiming to build up a reserve of about £50k over a 5 year period. This is approximately 1 month staffing salary costs. We have a policy of replacing and improving the building for the benefit of the pupils currently within the Academy and consider this to be a reasonable amount.

The Academy Trust reserves have been used in 2013-14 to link the main corridor and Learning Centre, reorganise the music room to provide additional classroom space for the Year 1 class, replace a portion of the boundary fence as well as general maintenance of the building.

The reserves policy will be reviewed annually.

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2014***

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#### Investment policy

There have been no investments during 2013-14. Any investments to be made will be invested according to the investment policy.

The Academy has an approved Investment Policy and if the Academy is able to generate better returns than currently provided in the deposit account, it may undertake other investments. All investments, outside of the deposit account, will be made on a risk-averse basis, taking ethical considerations into account and need Governing Body approval.

The aim of this policy is to ensure that funds which the academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk. Our aim is to spend the publicly funded monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

The Academy will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the Academy. From time to time, operational and strategic decisions related to the education of pupils at Benedict Biscop Church of England Academy Trust will result in substantial cash balances at the bank over a sustained period. These periods are identified by the Academy Business Manager as part of the normal forecasting activity and, when identified, will result in the Academy making an investment in accordance with any guidance provided in the Academy's Financial Handbook.

Prior to investing funds the Principal and Finance and Resource Management Committee must be satisfied that the cash flow predictions provided by the Academy Business Manager are accurate and that the amount/ time period of the investment will not compromise the viability and sustainability of the activities of the school.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "risk that the return on investments is not being maximised" and the "risk that trustees are not acting in accordance with the Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy)".

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2014**

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#### Principal risks and uncertainties

The Academy maintains a risk management plan which is reviewed by the Finance and Resource Management Committee to ensure satisfactory arrangements are in place to manage the risk. There is an annual review of all risk management issues led by various staff e.g. Site Development Officer, Academy Business Manager and teaching staff, however, there is ongoing review in response to situations or new legislation or information.

The Academy considers all risks and the Trustees have implemented a number of systems to assess risks that may impact the Academy, especially in operational areas, e.g. in relation to teaching, management of IT security, safeguarding, health and safety, educational school visits, and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. Foundation Stage access, management of vehicles on site and a mobile phone free zone) and internal financial controls. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

A long term strategy to secure funds required to maintain the building and to increase the classroom sizes owing to increasing pupil numbers was identified and a subsequent Capital bid submitted to the EFA. This was unsuccessful.

The Academy has worked closely with Evolution Accountants to ensure financial systems are secure. In order to maintain the professional status of the new Academy Business Manager, a programme of CPD is in place.

Strategies to develop leadership and succession planning have been successful with the appointment in 2013-14 of a Foundation Stage Leader, to support the new leadership team appointed in the last year. This developing leadership capacity is ensuring outcomes for pupils remain outstanding and the school's capacity to support improvement in other schools remains high.

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

#### **Purposes**

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements;
- To ensure there is no risk of loss in the capital value of any cash funds invested;
- To protect the capital value of any invested funds against inflation; and
- To optimise returns on invested funds.

#### **Banks**

If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £85,000 of an eligible depositors claim, per authorised institution. The list of authorised institutions and those considered acceptable to use, is provided by the FSA.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Plans for future periods

The School Improvement Plan clearly states objectives to maintain the highest standards of achievement of all pupils whilst ensuring the school moves forward within a rapidly changing world:

- Maintain high standards across school, ensuring attainment is secure.
- Raise standards of attainment and accelerate progress in Mathematics across school to secure greater % pupils making at least good progress.
- Improve the quality of learning and teaching in all classes and settings across the whole school with new class teachers in position with particular focus on mathematics and high attainers across the curriculum.
- Evaluate and determine new assessments across school in line with the new curriculum, to ensure pupils continue to attain highly and secure at least good outcomes. (Maths and Science)
- Continue to build capacity for leadership with senior and middle leaders improving their monitoring and effectiveness securing at least good outcomes for pupils.
- Establish and secure leadership capacity to develop the role of Teaching school.
- Ensure actions of Teaching School Alliance Action Plan are achieved.

### Funds held as custodian trustee on behalf of others

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

### Auditor

In so far as the governors are aware:

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

A resolution proposing that Evolution Business and Tax Advisors LLP be reappointed as auditor of the charitable company will be put to the members.

The Auditors were appointed (July 2014) following a tender process. Evolution were awarded a 3 year contract.

Approved by order of the members of board of trustees on 02 December 2014 and signed on its behalf by:



Rev D Tolhurst  
Chair

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Benedict Biscop Church of England Academy Trust Limited 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 Trustees have 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 Benedict Biscop Church of England Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The governing body has formally met 6 times during 2013-14. Attendance during the period at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
J Mulvaney (Chair) (Resigned 14 October 2014)	6	6
M Stouph (Chair)	6	6
P Thompson (Accounting officer)	5	6
Rev D Tolhurst (Chair) (Appointed 15 October 2014)	4	6
J Murray	4	6
S Holden	6	6
J Logan	5	6
A Atkinson	6	6
J Farnsworth	4	6
Rev S Thorp (Appointed 11 September 2013)	2	5
Councillor C Marshall (Appointed 1 September 2013)	5	6
E Whelam-Tate (Appointed 19 September 2013)	6	6
L Norton (Appointed 19 September 2013)	5	6
J Little	5	6
V Leadley (Resigned 8 May 2014)	2	3
C Mitchell (Appointed 18 December 2013)	4	4



# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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1 vacancy has arisen in 2013-14 following a resignation. This has provided a vacancy for a co-opted tR.

Following a review of safeguarding during this year, the trustees identified a need for governor training for the whole governing body. This was undertaken in February 2014.

The trustees are intending to conduct an analysis of overall effectiveness, identified within the Framework for Governor Mark in Autumn 2014. The trustees will evaluate their own effectiveness against the criteria referenced.

The Finance and Resource Management/Audit Committee is a sub-committee of the main Governing body. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding sustainable provision. The Finance and Resource Management Committee fulfils the function of an Audit Committee to review the risks to internal financial control, agree a programme of work that will address any such risks and ensure work is undertaken to inform the statement of internal control in order to provide assurance to the external auditors.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M Stouph (Chair)	5	6
P Thompson (Accounting officer)	6	6
J Murray	4	6
S Holden	6	6
J Farnsworth	5	6

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Benedict Biscop Church of England Academy for the year ended 31 August 2014 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 trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### The risk and control framework

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

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

The trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have engaged an internal assurance review from the external auditors, which includes a range of checks on the Academy Trust's financial systems. Once a term, the internal assurance reports to the trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. The trustees confirm that the internal assurance reviews have fully delivered with the EFA requirements and that there have been no material control issues arising as a result of any internal assurance work during the year.

### Review of effectiveness

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

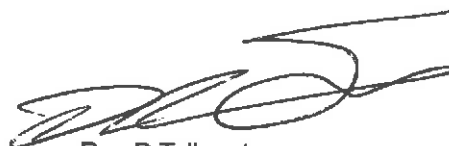
- the internal assurance reviews;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 02 December 2014 and signed on its behalf by:



P Thompson  
Accounting officer



Rev D Tolhurst  
Chair

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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As accounting officer of Benedict Biscop Church of England Academy, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academy Financial Handbook.

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

Approved on 02 December 2014 and signed by:



P Thompson  
**Accounting Officer**

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (who also act as governors for Benedict Biscop Church of England Academy and are also the directors of Benedict Biscop Church of England Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 02 December 2014 and signed on its behalf by:



Rev D Tolhurst  
Accounting officer

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

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We have audited the accounts of Benedict Biscop Church of England Academy for the year ended 31 August 2014 set out on pages 23 to 43. 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 2014 issued by the EFA.

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

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the Trustees, who are also the directors of Benedict Biscop Church of England Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

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#### **Matters on which we are required to report by exception**

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

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

*Evolution*

**Graham Fitzgerald BA FCA (Senior Statutory Auditor)**  
**Evolution Business and Tax Advisors LLP**

**Chartered Accountants**

**Statutory Auditor**

10 Evolution

Wynyard Park

Wynyard

TS22 5TB

Dated: *8 December 2014*

# **BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 23 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Benedict Biscop Church of England Academy during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Benedict Biscop Church of England 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 Benedict Biscop Church of England 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 Benedict Biscop Church of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Benedict Biscop Church of England Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Benedict Biscop Church of England Academy's funding agreement with the Secretary of State for Education dated 23 January 2012 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of termly Internal Assurance reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of leases and other agreements

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

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

*Evolution*

### Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: *8 December 2014*



# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<b><u>Incoming resources</u></b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	3,573	-	-	3,573	-
- Activities for generating funds	3	90,189	-	-	90,189	105,807
- Investment income	4	203	-	-	203	199
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	5,647	1,091,999	10,472	1,108,118	1,051,463
<b>Total incoming resources</b>		<b>99,612</b>	<b>1,091,999</b>	<b>10,472</b>	<b>1,202,083</b>	<b>1,157,469</b>
<b><u>Resources expended</u></b>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	80,592	-	-	80,592	100,015
<i>Charitable activities</i>						
- Educational operations	7	5,647	949,130	78,942	1,033,719	1,026,268
Governance costs	8	-	28,963	-	28,963	26,839
<b>Total resources expended</b>	6	<b>86,239</b>	<b>978,093</b>	<b>78,942</b>	<b>1,143,274</b>	<b>1,153,122</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>13,373</b>	<b>113,906</b>	<b>(68,470)</b>	<b>58,809</b>	<b>4,347</b>
Gross transfers between funds		-	(20,877)	20,877	-	-
<b>Net income/(expenditure) for the year</b>		<b>13,373</b>	<b>93,029</b>	<b>(47,593)</b>	<b>58,809</b>	<b>4,347</b>
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	59,000	-	59,000	16,000
<b>Net movement in funds</b>		<b>13,373</b>	<b>152,029</b>	<b>(47,593)</b>	<b>117,809</b>	<b>20,347</b>
Fund balances at 1 September 2013		39,100	(140,614)	357,188	255,674	235,327
<b>Fund balances at 31 August 2014</b>		<b>52,473</b>	<b>11,415</b>	<b>309,595</b>	<b>373,483</b>	<b>255,674</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	11		309,595		357,188
<b>Current assets</b>					
Debtors	12	41,516		75,178	
Cash at bank and in hand		237,966		120,723	
		<u>279,482</u>		<u>195,901</u>	
Creditors: amounts falling due within one year	13	(114,594)		(142,415)	
<b>Net current assets</b>			164,888		53,486
<b>Total assets less current liabilities</b>			474,483		410,674
Defined benefit pension liability	17	(101,000)		(155,000)	
<b>Net assets</b>			<u>373,483</u>		<u>255,674</u>
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>	15				
- Fixed asset funds			309,595		357,188
- General funds			112,415		14,386
- Pension reserve			(101,000)		(155,000)
<b>Total restricted funds</b>			<u>321,010</u>		<u>216,574</u>
<b>Unrestricted funds</b>	15		52,473		39,100
<b>Total funds</b>			<u>373,483</u>		<u>255,674</u>

The accounts were approved by order of the board of trustees and authorised for issue on 02 December 2014.



Rev D Tolhurst  
Chair

Company Number 07909140

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	18	137,917	96,255
<b>Returns on Investments and servicing of finance</b>			
Investment income		<u>203</u>	<u>199</u>
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		<u>203</u>	<u>199</u>
		138,120	96,454
<b>Capital expenditure and financial investments</b>			
Capital grants received		10,472	9,082
Payments to acquire tangible fixed assets		<u>(31,349)</u>	<u>(122,301)</u>
<b>Net cash flow from capital activities</b>		<u>(20,877)</u>	<u>(113,219)</u>
<b>Increase/(decrease) in cash</b>	19	<u>117,243</u>	<u>(16,765)</u>

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# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 1 Accounting policies

##### 1.1 Basis of preparation

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

##### 1.2 Going concern

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

##### 1.3 Incoming resources

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

##### Grants receivable

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

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

##### Sponsorship income

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

##### Donations

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

##### Other income

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

##### Donated services and gifts in kind

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

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

(Continued)

#### 1.4 Resources expended

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

##### Costs of generating funds

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

##### Charitable activities

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

##### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings improvements	2.5% straight line
Computer equipment	33% straight line
Fixtures, fittings and equipment	12.5% - 20% straight line

Land and buildings have not been transferred to the academy. The footprint of the school building is owned by the Diocese of Durham and occupied by the academy on a supplemental agreement with that body. The remaining land is owned by Sunderland City Council and leased to the academy for 125 years. Building improvements funded by the Academy have been capitalised at cost.

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

#### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

(Continued)

#### 1.7 Taxation

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

#### 1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

#### 1.9 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and 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 Education Funding Agency, Department for Education and Local Authority.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>2</b>	<b>Voluntary income</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2014</b>	<b>Total 2013</b>
		£	£	£	£
	Other donations	3,573	-	3,573	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>3</b>	<b>Activities for generating funds</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2014</b>	<b>Total 2013</b>
		£	£	£	£
	Hire of facilities	-	-	-	202
	Catering income	47,273	-	47,273	38,329
	Music tuition	9,759	-	9,759	10,920
	Educational trips	12,257	-	12,257	16,888
	Other income	20,900	-	20,900	39,468
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		90,189	-	90,189	105,807
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2014</b>	<b>Total 2013</b>
		£	£	£	£
	Short term deposits	203	-	203	199
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>5</b>	<b>Funding for the academy trust's educational operations</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2014</b>	<b>Total 2013</b>
		£	£	£	£
	<b>DfE / EFA grants</b>				
	General annual grant (GAG)	-	857,891	857,891	827,169
	Capital grants	-	10,472	10,472	9,082
	Other DfE / EFA grants	-	50,147	50,147	43,082
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		-	918,510	918,510	879,333
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Other government grants</b>				
	Local authority grants	-	123,695	123,695	109,327
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Other funds</b>				
	Other incoming resources	5,647	60,266	65,913	62,803
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Total funding</b>	<b>5,647</b>	<b>1,102,471</b>	<b>1,108,118</b>	<b>1,051,463</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	620,909	-	52,940	673,849	705,276
- Allocated support costs	128,406	111,532	119,932	359,870	320,992
	<u>749,315</u>	<u>111,532</u>	<u>172,872</u>	<u>1,033,719</u>	<u>1,026,268</u>
<b>Other expenditure</b>					
Costs of activities for generating funds	8,890	-	71,702	80,592	100,015
Governance costs	-	-	28,963	28,963	26,839
	<u>8,890</u>	<u>-</u>	<u>100,665</u>	<u>109,555</u>	<u>126,854</u>
<b>Total expenditure</b>	<u>758,205</u>	<u>111,532</u>	<u>273,537</u>	<u>1,143,274</u>	<u>1,153,122</u>

### Incoming/outgoing resources for the year include:

	2014 £	2013 £
Operating leases		
- Plant and machinery	5,630	4,380
Fees payable to auditor		
- Audit	5,000	5,000
- Other non-audit fees	4,200	4,000
	<u>9,830</u>	<u>9,380</u>



# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	5,647	606,493	612,140	641,385
Technology costs	-	16,040	16,040	14,826
Educational supplies and services	-	25,426	25,426	18,027
Staff development	-	8,769	8,769	9,552
Educational consultancy	-	8,032	8,032	8,854
Other direct costs	-	3,442	3,442	12,632
	<u>5,647</u>	<u>668,202</u>	<u>673,849</u>	<u>705,276</u>
<b>Allocated support costs</b>				
Support staff costs	-	128,406	128,406	113,936
Depreciation	-	78,942	78,942	72,177
Recruitment and support	-	1,958	1,958	8,073
Maintenance of premises and equipment	-	32,590	32,590	22,925
Cleaning	-	10,283	10,283	11,116
Energy costs	-	18,222	18,222	17,660
Rates and water	-	7,965	7,965	5,577
Insurance	-	19,541	19,541	15,616
Security and transport	-	1,581	1,581	6,151
Catering	-	12,379	12,379	14,921
Interest and finance costs	-	(1,000)	(1,000)	1,000
Other support costs	-	49,003	49,003	31,840
	<u>-</u>	<u>359,870</u>	<u>359,870</u>	<u>320,992</u>
<b>Total costs</b>	<u>5,647</u>	<u>1,028,072</u>	<u>1,033,719</u>	<u>1,026,268</u>

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	15,763	15,763	14,373
Auditor's remuneration				
- Audit of financial statements	-	5,000	5,000	5,000
- Other non-audit fees	-	4,200	4,200	4,300
Other governance costs	-	4,000	4,000	3,166
	<u>-</u>	<u>28,963</u>	<u>28,963</u>	<u>26,839</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 9 Staff costs

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

	2014 Number	2013 Number
Teachers	19	17
Administration and support	4	4
Management	3	2
	<u>26</u>	<u>23</u>

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	595,341	618,689
Social security costs	36,938	39,774
Other pension costs	96,012	102,048
	<u>728,291</u>	<u>760,511</u>
Supply teacher costs	20,578	20,915
Staff development and other staff costs	9,336	9,552
	<u>758,205</u>	<u>790,978</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	1	1
	£	<u>10,617</u>	<u>10,000</u>
Local Government Pension Scheme	Numbers	-	-
	£	<u>-</u>	<u>-</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 10 Trustees' remuneration and expenses

The headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Trustees. No trustees received any expenses payments during the year (2013: £-).

The value of Trustees' remuneration was as follows:

P Thompson (principal) £75,001 - £80,000 (2013: £70,000 - £75,000)

L Norton (staff) £20,001 - £25,000 (2013: not a trustee)

E Whelam-Tate (staff) £20,001 - £25,000 (2013: not a trustee)

Other related party transactions involving the Trustees are set out within the related parties note.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £636 (2013: £636).

#### 11 Tangible fixed assets

	Land and buildings improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2013	66,896	89,233	308,726	464,855
Additions	12,516	18,341	492	31,349
At 31 August 2014	<u>79,412</u>	<u>107,574</u>	<u>309,218</u>	<u>496,204</u>
<b>Depreciation</b>				
At 1 September 2013	161	41,810	65,696	107,667
Charge for the year	1,834	33,600	43,508	78,942
At 31 August 2014	<u>1,995</u>	<u>75,410</u>	<u>109,204</u>	<u>186,609</u>
<b>Net book value</b>				
At 31 August 2014	<u>77,417</u>	<u>32,164</u>	<u>200,014</u>	<u>309,595</u>
At 31 August 2013	<u>66,735</u>	<u>47,423</u>	<u>243,030</u>	<u>357,188</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>12 Debtors</b>	<b>2014</b>	<b>2013</b>
	£	£
VAT recoverable	14,790	49,546
Prepayments and accrued income	26,726	25,632
	<u>41,516</u>	<u>75,178</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	£	£
Trade creditors	72,114	89,253
Other creditors	567	-
Accruals	12,150	18,390
Deferred income	29,763	34,772
	<u>114,594</u>	<u>142,415</u>
<b>14 Deferred income</b>	<b>2014</b>	<b>2013</b>
	£	£
Deferred income is included within:		
Creditors due within one year	<u>29,763</u>	<u>34,772</u>
Total deferred income at 1 September 2013	34,772	34,488
Amounts credited to the statement of financial activities	(34,772)	(34,488)
Amounts deferred in the year	<u>29,763</u>	<u>34,772</u>
<b>Total deferred income at 31 August 2014</b>	<u><u>29,763</u></u>	<u><u>34,772</u></u>

At the year end the academy was holding rates funding, Comenius grant and Universal Infant Free School Meals Grant relating to the next academic year.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	11,386	857,891	(743,776)	(17,877)	107,624
Other DfE / EFA grants	-	50,147	(50,147)	-	-
Other government grants	-	123,695	(122,160)	-	1,535
Other restricted funds	3,000	60,266	(57,010)	(3,000)	3,256
	<u>14,386</u>	<u>1,091,999</u>	<u>(973,093)</u>	<u>(20,877)</u>	<u>112,415</u>
Funds excluding pensions	14,386	1,091,999	(973,093)	(20,877)	112,415
Pension reserve	(155,000)	-	(5,000)	59,000	(101,000)
	<u>(140,614)</u>	<u>1,091,999</u>	<u>(978,093)</u>	<u>38,123</u>	<u>11,415</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	16,000	10,472	(135)	-	26,337
Inherited fixed asset fund	236,188	-	(71,872)	-	164,316
Capital expenditure from GAG or other funds	105,000	-	(6,935)	20,877	118,942
	<u>357,188</u>	<u>10,472</u>	<u>(78,942)</u>	<u>20,877</u>	<u>309,595</u>
<b>Total restricted funds</b>	<u>216,574</u>	<u>1,102,471</u>	<u>(1,057,035)</u>	<u>59,000</u>	<u>321,010</u>
<b>Unrestricted funds</b>					
General funds	39,100	99,612	(86,239)	-	52,473
<b>Total funds</b>	<u>255,674</u>	<u>1,202,083</u>	<u>(1,143,274)</u>	<u>59,000</u>	<u>373,483</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 15 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DfE grants includes PE and Sports Grant, Pupil Premium, GTP funding.

Other government grants includes SEN funding, Community Chest, Comenius and Early Years Grants from the Local Authority.

Other restricted funds include Educare, Breakfast and After School Clubs and Schoolz Out Funding.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants represent Devolved Formula Capital receivable during the period which has been utilised on building developments.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The academy's unrestricted and general restricted funds, excluding pension fund, were £164,889 as at 31 August 2014.

#### 16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	309,595	309,595
Current assets	52,473	227,009	-	279,482
Creditors: amounts falling due within one year	-	(114,594)	-	(114,594)
Defined benefit pension liability	-	(101,000)	-	(101,000)
	<u>52,473</u>	<u>11,415</u>	<u>309,595</u>	<u>373,483</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

##### Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

##### Teachers' Pension Scheme changes

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

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

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 17 Pensions and similar obligations

(Continued)

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

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

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.1 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £24,000.

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

	2014	2013
	£	£
Employer's contributions	34,000	43,000
Employees' contributions	11,000	12,000
	<u>          </u>	<u>          </u>
Total contributions	45,000	55,000
	<u>          </u>	<u>          </u>

#### Principal actuarial assumptions

	2014	2013
	%	%
Rate of increase in salaries	3.6	4.7
Rate of increase for pensions in payment	2.1	2.8
Discount rate for scheme liabilities	3.7	4.5
Inflation assumption (CPI)	2.1	2.8
	<u>          </u>	<u>          </u>



# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

	2014 Years	2013 Years
Retiring today		
- Males	23.0	21.7
- Females	24.6	23.9
Retiring in 20 years		
- Males	25.0	23.5
- Females	26.9	25.8

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	7.5	276,864	7.9	227,772
Government bonds	2.9	14,420	3.4	12,312
Corporate bonds	3.3	47,380	4.1	39,672
Cash	1.1	10,712	0.9	7,866
Property	6.8	37,492	7.4	30,438
Other assets	7.5	25,132	7.9	23,940
<b>Total market value of assets</b>		<b>412,000</b>		<b>342,000</b>
<b>Present value of scheme liabilities - funded</b>		<b>(513,000)</b>		<b>(497,000)</b>
<b>Net pension asset / (liability)</b>		<b>(101,000)</b>		<b>(155,000)</b>

A building block approach is used to determine the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each class over the actual asset allocation for the fund at the accounting date.

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations (Continued)

#### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(25,000)	(18,000)
Interest on pension liabilities	24,000	19,000
	<u>(1,000)</u>	<u>1,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	40,000	48,000
Past service cost	-	-
	<u>40,000</u>	<u>48,000</u>
<b>Total operating charge/(income)</b>	<u>39,000</u>	<u>49,000</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	-	(13,000)
Experience (gains)/losses on liabilities	(59,000)	(3,000)
(Gains)/losses arising from changes in assumptions	-	-
	<u>(59,000)</u>	<u>(16,000)</u>
<b>Total (gains)/losses</b>	<u>(59,000)</u>	<u>(16,000)</u>
Cumulative (gains)/losses to date	<u>(38,000)</u>	<u>21,000</u>

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

	2014 £	2013 £
Opening defined benefit obligations	(497,000)	(421,000)
Current service cost	(40,000)	(48,000)
Interest cost	(24,000)	-
Contributions by employees	(11,000)	(12,000)
Actuarial gains/(losses)	59,000	3,000
Past service cost	-	(19,000)
	<u>(513,000)</u>	<u>(497,000)</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 17 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	342,000	256,000
Expected return on assets	25,000	18,000
Actuarial gains/(losses)	-	13,000
Contributions by employers	34,000	43,000
Contributions by employees	11,000	12,000
	<u>412,000</u>	<u>342,000</u>

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations		(Continued)			
History of experience gains and losses:					
	2014	2013	2012	2011	
	£	£	£	£	
Present value of defined benefit obligations	(513,000)	(497,000)	(421,000)	(347,000)	
Fair value of share of scheme assets	412,000	342,000	256,000	221,000	
Surplus / (deficit)	<u>(101,000)</u>	<u>(155,000)</u>	<u>(165,000)</u>	<u>(126,000)</u>	
Experience adjustment on scheme liabilities	59,000	3,000	(2,000)	-	
Experience adjustment on scheme assets	-	13,000	-	-	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	
<b>18 Reconciliation of net income to net cash inflow/(outflow) from operating activities</b>					
		2014	2013		
		£	£		
Net income		58,809	4,347		
Capital grants and similar income		(10,472)	(9,082)		
Investment income		(203)	(199)		
FRS17 pension costs less contributions payable		6,000	5,000		
FRS17 pension finance income		(1,000)	1,000		
Depreciation of tangible fixed assets		78,942	72,177		
(Increase)/decrease in debtors		33,662	(59,177)		
Increase/(decrease) in creditors		(27,821)	82,189		
Net cash inflow/(outflow) from operating activities		<u>137,917</u>	<u>96,255</u>		
<b>19 Reconciliation of net cash flow to movement in net funds</b>					
		2014	2013		
		£	£		
Increase/(decrease) in cash		117,243	(16,765)		
Net funds at 1 September 2013		120,723	137,488		
Net funds at 31 August 2014		<u>237,966</u>	<u>120,723</u>		
<b>20 Analysis of net funds</b>					
	At 1	Cash flows	Non-cash	At 31 August	
	September		changes	2014	
	2013				
	£	£	£	£	
Cash at bank and in hand	120,723	117,243	-	237,966	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	

# BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 21 Commitments under operating leases

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

	2014	2013
	£	£
Expiry date:		
- Between two and five years	4,544	4,544
	<u>4,544</u>	<u>4,544</u>

### 22 Related parties

No related party transactions took place in the period of account.

### 23 Members' liability

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