

Company Registration No. 07909140 (England and Wales)

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

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

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BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mrs J Mulvaney (Chair)
Rev M Anderson (Resigned 4 July 2013)
Mrs P Thompson (Accounting officer) *
Mrs S Holden *
Mr R Simpson (Resigned 12 February 2013) *
Mrs J Little
Rev S Clark (Resigned 14 February 2013)
Mrs S Burn (Resigned 4 November 2012)
Mrs A Atkinson
Miss S Hepworth (Resigned 31 August 2013) *
Mrs P Tait (Resigned 4 July 2013)
Mr M Stouph *
Mrs J Logan (Appointed 23 April 2013)
Rev D Tolhurst (Appointed 14 February 2013)
Mr J Farnsworth *
Mrs J Murray *
Councillor C Marshall (Appointed 1 September 2013)
Mrs V Leadley (Appointed 11 October 2012)
Mrs L Norton (Appointed 19 September 2013)
Miss E Whelam (Appointed 19 September 2013)
Rev S Thorp (Appointed 11 September 2013)

* members of the Finance and Resource Management Committee

Senior management team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher

Mrs P Thompson
Miss S Hepworth
Miss G Bell

Company secretary

Mrs C Henderson

Company registration number

07909140 (England and Wales)

Principal address

Marcross Drive
Moorside
Sunderland
Tyne & Wear
SR3 2RE

Independent auditor

Evolution Business and Tax Advisors LLP
10 Evolution
Wynyard Park
Wynyard
TS22 5TB

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Commercial
5th Floor
102 Grey Street
Newcastle upon Tyne
NE1 6AG

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

The Governors present their annual report together with the audited financial statements of the Academy for the year ended 31 August 2013.

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 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.

Details of the Governors who served throughout the year between 1 September 2012 and 31 August 2013, 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.

Governors' indemnities

Every Governor 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.

Principal activities

- [a] the school provides education for pupils of different abilities
- [b] the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broad based curriculum)
- [c] the school provides education for the pupils who are wholly or mainly drawn from the area in which the school is situated
- [d] the school will be at the heart of the community, promoting community cohesion and sharing facilities with other schools and the wider community

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Method of recruitment and appointment or election of Governors

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 governors
- 9 foundation governors
 - 1 ex-officio appointed by Area Dean of Wearmouth
 - 2 Deanery Synod appointed by Wearmouth Deanery Executive
 - 3 foundation parents appointed by other foundation governors 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 governors
 - 2 staff elected by staff employed by the academy
 - 2 parents elected by parents of pupils registered at the Academy
 - 2 co-opted appointed by governing body and/or the Academy Trust directors
 - 1 ex-officio being the Headteacher/principal

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

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

Policies and procedures adopted for the induction and training of Governors

Although a formal policy for induction and training of Governors has not been agreed the following training has taken place:

- Induction of newly appointed Governors provided by Sunderland Local Authority
- Curriculum including the new Diocesan RE Curriculum

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Organisational structure

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

The Governors 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.

The SLT consists of the Headteacher, Deputy Headteacher and Assistant Headteacher, the latter of which were both newly appointed during 2012-13. They are supported by the Inclusion Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and Governors 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 (newly appointed 2012-13) 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 Headteacher is the Accounting Officer.

Risk management

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 Governors have implement 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 Governors are satisfied that systems are in place to mitigate exposure to major risks.

Connected organisations and related party relationships

Governors have declared no business interests to date and where any governors should declare an interest, procedures are in place to address this. The school have adopted a policy that if there are any interests declared the Governor 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

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Objectives and Activities

Principal objective

The principal objective and activity of the charitable company is the operation of Benedict Biscop Church of England Academy 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.

Mission

The school 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 Governors, parents, the Church, local industry and local communities.

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

Strategies and activities

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

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 families who wish to apply for a faith place may do so if they reside in the Wearmouth Deanery. 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 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.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Objectives

- To ensure all standard operating procedures are reviewed and adapted to ensure Academy is sustainable.
- To maintain high standards and secure outstanding outcomes for all pupils in all phases.
- To introduce the new Early Years Foundation Stage Statutory Curriculum and define assessment systems making relevant adjustments to teaching and provision.
- To establish and develop new Leadership team (as a result of 5 promotions during 2012-13, internal and external) - Deputy Headteacher, Assistant Headteacher, Foundation Stage Leader, Academy Business Manager.
- To further develop Initial Teacher training partnership to train high quality teachers (succession planning and systems leadership)- School Direct.
- To establish newly released Statutory Diocesan RE curriculum.
- To develop specialist teaching in music and French.
- To establish new partnership with 10 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 Trust Governors 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.

Achievements and performance

Achievements in the year

2012-13 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
Early Years Basic Skills Award	December 2012
Gold Anti-Bullying Charter Mark	June 2013

Teaching and Learning in all Key Stages outstanding (internal self-evaluation - validation by Ofsted 2012).

Phonics Screen 2013 results [Year 1]

Pass

<u>School</u>	<u>National</u>
97%	67%

Key Stage 1 2013 results

	<u>*Level 2+</u>		<u>Level 3</u>	
	<u>School</u>	<u>National</u>	<u>School</u>	<u>National</u>
Reading	94%	89 %	39%	29%
Writing	94%	85%	23%	15%
Mathematics	97%	91%	39%	23%

Key Stage 2 2013 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	100%	86%	61%	44%	0%	0%
Grammar,						
Punctuation and Spelling	90%	74%	71%	47%	10%	2%
Mathematics	97%	85%	77%	41%	16%	6%

*age related expectation

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

These figures are 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 2013, attainment at the end of KS2 is consistently outstanding overall.

The number of pupils, attaining Level 4 in both English and Mathematics (97%) exceed expectations by 9%, indicating that measures introduced through intervention for less able pupils are successful. The number of pupils, attaining Level 5 in both English and Mathematics (68%) exceeded expectations by 21%. 7% pupils attained Level 6, in both English and Mathematics, 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 (2013), 5 pupils attaining L6 in writing, 3 pupils in Grammar, Punctuation and Spelling, 5 pupils in Mathematics.

2013 progress KS1 to KS2 was outstanding overall. 100% pupils made 2 levels progress in English (10% above target) and 97% in Mathematics (7% above target) - well above local and national statistics. Pupils making 3 levels progress is improving and is high... Writing (61%), Reading (29%) and in mathematics (58%), representing a steady year on year improvement. 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 95.9% (2012 97.2%). This has declined on previous year due to the persistent absence of 2 pupils and a period of sustained sickness during the Autumn term. This has been closely monitored.

Going concern

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

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Financial review

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 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 22. Details of all grants and income received can be found in notes 2 to 5.

During the year ended 31 August 2013 expenditure amounting to £1,152,000 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 31 August 2013 the net book value of fixed assets was £357,000. The assets were used exclusively to provide education and associated services to the students of the Academy.

The Academy made an operating deficit in the year to 31 August 2013 of £29,000 on unrestricted funds and £6,000 surplus on restricted general funds. Fund balances held at 31 August 2013 were £255,000, comprising restricted reserves of £216,000 and unrestricted reserves of £39,000.

Total income in the period was £1,156,000 of which £879,000 came from the EFA revenue grants and £109,000 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 governors are able to consider a longer term strategy.

The Governing Body of the Academy Trust has adopted the following policies relating to Finance and Governance during 2012-13:

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

The Academy Trust reserves have been used in 2012-13 to develop the outdoor area including the Early Years Foundation Stage (Ofsted Report 2012) and the resurfacing of KS1 and KS2 playgrounds, paths and school drive including boundary fencing (Health & Safety audit 2013).

There have been no investments during 2012-13. Any investments to be made will be invested according to the investment policy.

Principal risks and uncertainties

The risk management plan continues to be developed and risks have been reviewed regularly. A long term strategy to secure funds required to maintain the building and to increase the classroom size owing to increasing pupil numbers, needs to be developed.

Given this is the first full year as an Academy and the appointment of a new Business Manager, who is a Chartered Accountant, (October 2012), the Academy has worked closely with Evolution Accountants to ensure financial systems are secure. In order to maintain the professional status of the Business Manager, a programme of CPD is in place.

Strategies to develop leadership and succession planning have been successful with the appointment 2012-13 of a Deputy Headteacher, an Assistant Headteacher and an Academy Business Manager, as a result of successful promotions. This developing leadership capacity is ensuring outcomes for pupils remain outstanding and the school's capacity to support improvement in other schools remains high.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Reserves policy

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

The Governing Body 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 Governing Body 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 Governing Body will consider the School Improvement Plan for capital developments required. The Governing Body 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 24 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.

The reserves policy will be reviewed annually.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 education 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.

Implementation

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 students at Benedict Biscop Church of England Academy 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 their 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 Headteacher 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 "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)".

Principles

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

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 KS1 attainment is secure. Raise standards of attainment and accelerate progress in Reading in KS2 to secure greater level 6 attainment.
- Improve the quality of teaching and learning in all classes and settings across the whole school with new class teachers in position.
- Ensure practice and procedures are embedded into EYFS practice ensuring the quality of learning in the EYFS with new team, remains outstanding.
- Improve attainment, increase progress and instigate improvements in learning and teaching by reviewing the current curriculum, improving provision (RE, Music and French) and establishing a new curriculum for 2014.
- Improve the monitoring and effectiveness of middle leaders and provide appropriate CPD to develop their skills and their impact upon learning, teaching, progress and attainment.
- Develop systems and partnerships to secure improvements for greater number of pupils within and beyond our immediate school, through developing Initial Teacher Training programme.

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 Governors 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.

Approved by order of the Governing Body on 03.12.13 and signed on its behalf by:



Mrs J Mulvaney
Chair

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Benedict Biscop Church of England Academy 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 Statement of Governors' Responsibilities. The Governing Body has formally met 7 times during 2012-13. Attendance during the period at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
Mrs J Mulvaney (Chair)	7	7
Rev M Anderson (Resigned 4 July 2013)	6	7
Mrs P Thompson (Accounting officer)	7	7
Mrs S Holden	7	7
Mr R Simpson (Resigned 12 February 2013)	2	4
Mrs J Little	4	7
Rev S Clark (Resigned 14 February 2013)	3	4
Mrs S Burn (Resigned 4 November 2012)	0	2
Mrs A Atkinson	6	7
Miss S Hepworth (Resigned 31 August 2013)	6	7
Mrs P Tait (Resigned 4 July 2013)	6	7
Mr M Stouph	6	7
Mrs J Logan (Appointed 23 April 2013)	2	2
Rev D Tolhurst (Appointed 14 February 2013)	4	4
Mr J Farnsworth	5	7
Mrs J Murray	6	7
Councillor C Marshall (Appointed 1 September 2013)	0	0
Mrs V Leadley (Appointed 11 October 2012)	3	4
Mrs L Norton (Appointed 19 September 2013)	0	0
Miss E Whelam (Appointed 19 September 2013)	0	0
Rev S Thorp (Appointed 11 September 2013)	0	0

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

2 vacancies have arisen during 2012-13 following a resignation due to relocation and a further resignation due to retirement (both Board of Education Representatives).

In February 2013, Rev Dave Tolhurst joined as Ex Officio Priest, Janet Logan was elected unopposed as Parent Governor in May 2013 and Cllr Marshall, as co-opted member, joined September 2013. Two new staff governors, Emma Whelam (teaching staff) and Lorraine Norton (support staff) were appointed in September 2013 as the previous staff governors stepped down. Sarah Hepworth stepped down from the Governing Body to be available to deputise in the Headteacher's absence.

The Finance and Resource Management 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:

Governors	Meetings attended	Out of possible
Mrs P Thompson (Accounting officer)	6	6
Mrs S Holden	6	6
Mr R Simpson (Resigned 12 February 2013)	0	3
Miss S Hepworth (Resigned 31 August 2013)	6	6
Mr M Stouph	6	6
Mr J Farnsworth	5	6
Mrs J Murray	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 2013 and up to the date of approval of the annual report and financial statements.

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 2013 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 2013

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and Resource Management 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors 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 service reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Governing Body confirms 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 Governing Body on 03.12.13 and signed on its behalf by:



Mrs J Mulvaney
Chair



Mrs P Thompson
Accounting officer

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013

As accounting officer of Benedict Biscop Church of England Academy Trust 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.

Approved on 3/12/13 and signed by:

P. Thompson

Mrs P Thompson
Accounting Officer

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees 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 Governors' 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 Governors to prepare accounts for each financial year. Under company law the Governors 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 Governors 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 Governors 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 Governors 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 Governors 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 Governing Body on 03.12.13 and signed on its behalf by:

J Mulvaney

Mrs J Mulvaney
Chair

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

We have audited the accounts of Benedict Biscop Church of England Academy for the year ended 31 August 2013 set out on pages 22 to 42. 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 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 Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 17, the Governors, 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 Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' 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 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with 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 Governors' 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

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 Governors' 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)
for and on behalf of Evolution Business and Tax Advisors LLP

Chartered Accountants
Statutory Auditor
10 Evolution
Wynyard Park
Wynyard
TS22 5TB

Dated: *5/12/13*

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

In accordance with the terms of our engagement letter dated 02 August 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 Benedict Biscop Church of England Academy during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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)

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The academy has in place a five year photocopier lease, payable in quarterly instalments of £1,136, ending in January 2015. The period of this lease is in excess of the three years permitted under the Academies Financial Handbook 2012, however it was signed prior to academy conversion and would not be considered a breach under the Academies Financial Handbook for 2013.

Evolution

Graham Fitzgerald BA FCA (Senior Statutory Auditor)
for and on behalf of Evolution Business and Tax Advisors LLP

Dated:5/12/13.....

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £000	Restricted funds £000	Fixed Asset fund £000	Total 2013 £000	Total 2012 £000
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	-	-	-	-	2
- Inherited on conversion		-	-	-	-	283
- Activities for generating funds	3	105	-	-	105	33
- Investment income	4	-	-	-	-	1
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	1,042	9	1,051	621
Total incoming resources		105	1,042	9	1,156	940
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	99	-	-	99	41
<i>Charitable activities</i>						
- Educational operations	7	-	954	72	1,026	602
Governance costs	8	-	27	-	27	25
Total resources expended	6	99	981	72	1,152	668
Net incoming/(outgoing) resources before transfers		6	61	(63)	4	272
Gross transfers between funds		(35)	(71)	106	-	-
Net income/(expenditure) for the year		(29)	(10)	43	4	272
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	16	-	16	(37)
Net movement in funds		(29)	6	43	20	235
Fund balances at 1 September 2012		68	(147)	314	235	-
Fund balances at 31 August 2013		39	(141)	357	255	235

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.

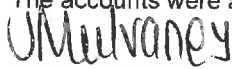
BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £000	2012 £000	2012 £000
Fixed assets				
Tangible assets	11		357	307
Current assets				
Debtors	12	75		16
Cash at bank and in hand		120		137
		195		153
Creditors: amounts falling due within one year	13	(142)		(60)
Net current assets			53	93
Total assets less current liabilities			410	400
Defined benefit pension liability	17		(155)	(165)
Net assets			255	235
Funds of the academy trust:				
Restricted income funds	15			
- Fixed asset funds			357	314
- General funds			14	18
- Pension reserve			(155)	(165)
Total restricted funds			216	167
Unrestricted funds	15		39	68
Total funds			255	235

The accounts were approved by order of the Governing Body and authorised for issue on 03.12.13



Mrs J Mulvaney
Chair

Company Number 07909140

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash inflow/(outflow) from operating activities	18	96	62
Cash funds transferred on conversion		-	78
Returns on investments and servicing of finance			
Investment income		-	1
Net cash inflow/(outflow) from returns on investments and servicing of finance		-	1
		96	141
Capital expenditure and financial investments			
Capital grants received		9	7
Payments to acquire tangible fixed assets		(122)	(11)
Net cash flow from capital activities		(113)	(4)
Increase/(decrease) in cash	19	(17)	137

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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 Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

In the prior year, the conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Benedict Biscop Church of England Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 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.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

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.

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

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 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:

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

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 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.

1.9 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.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

1.10 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 Governors.

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.

2 Voluntary income

	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Other donations	-	-	-	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Catering income	38	-	38	20
Music tuition	11	-	11	2
Educational trips	17	-	17	1
Other income	39	-	39	10
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	105	-	105	33
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Short term deposits	-	-	-	1
	<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 2013

5 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
DfE / EFA grants				
General annual grant (GAG)	-	827	827	496
Start up grants	-	-	-	25
Capital grants	-	9	9	7
Other DfE / EFA grants	-	43	43	3
	<u>-</u>	<u>879</u>	<u>879</u>	<u>531</u>
Other government grants				
Local authority grants	-	24	24	37
Other grants	-	85	85	24
	<u>-</u>	<u>109</u>	<u>109</u>	<u>61</u>
Other funds				
Other incoming resources	-	63	63	29
	<u>-</u>	<u>63</u>	<u>63</u>	<u>29</u>
Total funding	<u>-</u>	<u>1,051</u>	<u>1,051</u>	<u>621</u>

6 Resources expended

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2013 £000	Total 2012 £000
Academy's educational operations					
- Direct costs	642	-	63	705	422
- Allocated support costs	114	95	112	321	180
	<u>756</u>	<u>95</u>	<u>175</u>	<u>1,026</u>	<u>602</u>
Other expenditure					
Costs of activities for generating funds	26	-	73	99	41
Governance costs	-	-	27	27	25
	<u>26</u>	<u>-</u>	<u>100</u>	<u>126</u>	<u>66</u>
Total expenditure	<u>782</u>	<u>95</u>	<u>275</u>	<u>1,152</u>	<u>668</u>

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

6 Resources expended		(Continued)		
Incoming/outgoing resources for the year include:		2013	2012	
		£000	£000	
Operating leases		4	-	
Fees payable to auditor				
- Audit		5	3	
- Other services		4	4	
7 Charitable activities - the academy trust's educational operations				
	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Direct costs				
Teaching and educational support staff costs	-	642	642	365
Technology costs	-	15	15	33
Educational supplies and services	-	17	17	16
Staff development	-	10	10	5
Educational consultancy	-	9	9	2
Other direct costs	-	12	12	1
	-	705	705	422
Allocated support costs				
Support staff costs	-	114	114	67
Depreciation	-	72	72	36
Recruitment and support	-	8	8	4
Maintenance of premises and equipment	-	23	23	14
Cleaning	-	11	11	7
Energy costs	-	18	18	10
Rates and water	-	5	5	4
Insurance	-	16	16	14
Security and transport	-	6	6	11
Catering	-	15	15	-
Interest and finance costs	-	1	1	1
Other support costs	-	32	32	12
	-	321	321	180
Total costs	-	1,026	1,026	602

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

8 Governance costs

	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Legal and professional fees	-	15	15	18
Auditor's remuneration				
- Audit of financial statements	-	5	5	3
- Other non-audit costs	-	4	4	4
Other governance costs	-	3	3	-
	<u>-</u>	<u>27</u>	<u>27</u>	<u>25</u>

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:

	2013 Number	2012 Number
Teachers and teaching assistants	17	19
Administration and support	4	6
Management	2	3
	<u>23</u>	<u>28</u>
Costs included within the accounts:	2013 £000	2012 £000
Wages and salaries	619	360
Social security costs	40	24
Other pension costs	102	46
	<u>761</u>	<u>430</u>
Supply teacher costs	21	2
	<u>782</u>	<u>432</u>

The number of employees whose remuneration in the year fell within the following bands was:

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

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

9 Staff costs

(Continued)

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

		2013	2012
Teachers' Pension Scheme	Numbers	1	1
	£000	10	6
		<u> </u>	<u> </u>

10 Governors' remuneration and expenses

The headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Governors. No trustees received any expenses payments during the year (2012: nil).

The value of Governors' remuneration was as follows:

P Thompson (headteacher) £70,000 - £75,000 (2012: £35,000-£40,000)
P Tait (staff) £20,000 - £25,000 (2012: £10,000-£15,000)
S Hepworth (staff) £40,000 - £45,000 (2012: £20,000-£25,000)

The 2012 figures above cover a seven month period.

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

Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors 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 2013 was £636 (2012: £636).

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

11 Tangible fixed assets

	Land and buildings improve- ments	Computer equipment	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
Cost				
At 1 September 2012	4	67	272	343
Additions	63	22	37	122
At 31 August 2013	67	89	309	465
Depreciation				
At 1 September 2012	-	13	23	36
Charge for the year	-	29	43	72
At 31 August 2013	-	42	66	108
Net book value				
At 31 August 2013	67	47	243	357
At 31 August 2012	4	54	249	307

12 Debtors

	2013 £000	2012 £000
VAT recoverable	50	12
Prepayments and accrued income	25	4
	75	16

13 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	89	8
Accruals	18	18
Deferred income	35	34
	142	60

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

14 Deferred income	2013 £000	2012 £000
Deferred income is included within:		
Creditors due within one year	35	34
Total deferred income at 1 September 2012	34	-
Amounts credited to the statement of financial activities	(34)	-
Amounts deferred in the year	35	34
Total deferred income at 31 August 2013	35	34

At the year end the academy was holding SEN funds received in advance, Comenius grant and Devolved Capital grant relating to the next academic year.

15 Funds	Balance at 1 September 2012 £000	Incoming resources £000	Resources expended and transfers £000	Gains, losses and transfers £000	Balance at 31 August 2013 £000
Restricted general funds					
General Annual Grant	18	827	(763)	(71)	11
Other DfE / EFA grants	-	43	(43)	-	-
Other government grants	-	109	(109)	-	-
Other restricted funds	-	63	(60)	-	3
Funds excluding pensions	18	1,042	(975)	(71)	14
Pension reserve	(165)	-	(6)	16	(155)
	(147)	1,042	(981)	(55)	(141)
Restricted fixed asset funds					
DfE / EFA capital grants	7	9	-	-	16
Inherited fixed asset fund	296	-	(60)	-	236
Capital expenditure from GAG or other funds	11	-	(12)	106	105
	314	9	(72)	106	357
Total restricted funds	167	1,051	(1,053)	51	216
Unrestricted funds					
General funds	68	105	(99)	(35)	39
Total funds	235	1,156	(1,152)	16	255

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 2013.

Other DfE grants includes Pupil Premium, GTP funding and grants for obtaining professional support in respect of EFA returns.

Other government grants includes Early Years and SEN funding.

Other restricted funds include Comenius, Breakfast and After School Funding.

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.

The gross transfer to the restricted fixed asset fund of £106,000 comprises capital expenditure of £71,000 from the GAG and £35,000 from unrestricted funds during the period.

Devolved capital grant has been received for capital expenditure.

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

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 £53,000 as at 31 August 2013.

16 Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	Total funds £000
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	-	-	357	357
Current assets	39	77	79	195
Creditors: amounts falling due within one year	-	(63)	(79)	(142)
Defined benefit pension liability	-	(155)	-	(155)
	<u>39</u>	<u>(141)</u>	<u>357</u>	<u>255</u>

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

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

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

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 - 7.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £44,000.

As the LGPS is in deficit, the academy has agreed to make additional contribution over an 6 year period. The additional amount payable in the year ended 31 August 2014 will be £13,500.

	2013 £000	2012 £000
Employer's contributions	43	23
Employees' contributions	12	6
Total contributions	<u>55</u>	<u>29</u>

Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	4.70	4.70
Rate of increase for pensions in payment	2.80	2.20
Discount rate for scheme liabilities	4.50	4.20
Inflation assumption (CPI)	<u>2.80</u>	<u>2.20</u>

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

	2013 Years	2012 Years
Retiring today		
- Males	22	22
- Females	24	24
Retiring in 20 years		
- Males	24	24
- Females	<u>26</u>	<u>26</u>

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

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

	2013 Expected return %	2013 Fair value £000	2012 Expected return %	2012 Fair value £000
Equities	7.90	228	7.50	169
Government bonds	3.40	12	2.50	18
Corporate bonds	4.10	40	3.20	31
Cash	0.90	8	1.30	5
Property	7.40	30	7.00	23
Other assets	7.90	24	7.50	10
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total market value of assets		342		256
Present value of scheme liabilities - funded		(497)		(421)
		<u> </u>		<u> </u>
Net pension asset / (liability)		(155)		(165)
		<u> </u>		<u> </u>

Benedict Biscop Church of England Academy employs a building block approach in determining 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 31 August 2013.

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.

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

	2013 £000	2012 £000
Financial expenditure/(income)		
Expected return on pension scheme assets	(18)	(9)
Interest on pension liabilities	19	10
	<u>1</u>	<u>1</u>
Other expenditure/(income)		
Current service cost	48	23
Past service cost	-	-
	<u>48</u>	<u>23</u>
Total operating charge/(income)	<u>49</u>	<u>24</u>

Actuarial gains and losses recognised in the statement of financial activities

	2013 £000	2012 £000
Actuarial (gains)/losses on assets: actual return less expected	(13)	2
Experience (gains)/losses on liabilities	(3)	35
(Gains)/losses arising from changes in assumptions	-	-
	<u>(16)</u>	<u>37</u>
Total (gains)/losses	<u>(16)</u>	<u>37</u>
Cumulative (gains)/losses to date	<u>21</u>	<u>37</u>

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

	2013 £000	2012 £000
Opening defined benefit obligations	(421)	(347)
Current service cost	(48)	(23)
Interest cost	-	(10)
Contributions by employees	(12)	(6)
Actuarial gains/(losses)	3	(35)
Past service cost	(19)	-
	<u>(497)</u>	<u>(421)</u>

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

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

	2013 £000	2012 £000
Opening fair value of scheme assets	256	220
Expected return on assets	18	9
Actuarial gains/(losses)	13	(2)
Contributions by employers	43	23
Contributions by employees	12	6
	<u>342</u>	<u>256</u>

History of experience gains and losses:

	2013 £000	2012 £000
Present value of defined benefit obligations	(497)	(421)
Fair value of share of scheme assets	342	256
Surplus / (deficit)	<u>(155)</u>	<u>(165)</u>
Experience adjustment on scheme liabilities	3	(35)
Experience adjustment on scheme assets	13	(2)

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £000	2012 £000
Net income	4	272
Capital grants and similar income	(9)	(7)
Net deficit/(surplus) transferred on conversion	-	(283)
Investment income	-	(1)
FRS17 pension costs less contributions payable	5	-
FRS17 pension finance charge	1	1
Depreciation of tangible fixed assets	72	36
(Increase)/decrease in debtors	(59)	(16)
Increase/(decrease) in creditors	82	60
Net cash inflow/(outflow) from operating activities	<u>96</u>	<u>62</u>

BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

19 Reconciliation of net cash flow to movement in net funds	2013 £000	2012 £000
Increase/(decrease) in cash	(17)	137
Net funds at 1 September 2012	137	-
Net funds at 31 August 2013	120	137

20 Analysis of net funds	At 1 September 2012 £000	Cash flows £000	Non-cash changes £000	At 31 August 2013 £000
Cash at bank and in hand	137	(17)	-	120

21 Commitments under operating leases

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

	2013 £000	2012 £000
Expiry date:		
- Between two and five years	5	5

22 Related parties

Owing to the nature of the academy trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

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.