

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Trustees' Responsibilities Statement	16
Independent Auditor's Report to the Board of Trustees of Brockington College	17 - 18
Independent Reporting Accountant Assurance Report on Regularity to Brockington College and The Education Funding Authority	19 - 20
Statement of Financial Activities incorporating Income & Expenditure Account	21 - 22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Financial Statements, incorporating Statement of Accounting Policies & other notes to the Financial Statements	25 - 46

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

J Swinfield-Wells, Trustee^{1,2,5}
P Winkless, Responsible Officer^{1,2,4}
R Andrews, Trustee^{2,4}
J Blackwell, Trustee^{1,2,6}
J Briars, Trustee^{1,2,6}
M Brown, Vice Chair^{1,2,3}
T Day, Trustee (resigned 1 September 2014)^{2,5}
R Heames, Trustee^{2,3}
K Slipp, Trustee^{2,3}
F Speake, Trustee^{2,5}
G Spencer, Chair of Trustees^{1,2,4}
J Taylor, Trustee^{2,4}
M Walton, Trustee^{1,2,5}
P Johnson, Trustee^{1,2,4}
D Jones, Trustee (resigned 11 July 2014)^{2,5}
Y Doores, Staff Trustee^{1,2,6}
C Southall, Head Teacher^{1,2,4}
R Dunnett, Trustee^{1,2,4}
D Lane, Trustee (resigned 11 July 2014)
C Nash, Trustee (appointed 1 November 2013)^{2,6}
E Nolan, Staff Trustee (appointed 22 November 2013)^{2,3}
M McAllister, Trustee (appointed 1 February 2014)^{2,6}
K Saadat, Trustee (appointed 1 March 2014)^{2,6}
H Gleave, Trustee (appointed 5 May 2014)^{2,3}
P Graham, Trustee (appointed 14 April 2014)^{2,3}
U Patel, Trustee (appointed 11 July 2014)

- 1 Members of the Finance and Pay and Conditions Committee
- 2 Board Members
- 3 Teaching and learning
- 4 Leadership and management
- 5 Achievement
- 6 Behaviour and safety

Company registration number

08138965

Principal and registered office

Blaby Road
Enderby
Leicester
LE19 4AQ

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Senior management team

Christopher Southall, Principal
Clare Darby, Vice Principal
Julie Saunders, Business Manager
Sue Lawrence, Assistant Principal
Ian Wilson, Assistant Principal
Victoria Carr, Assistant Principal
Tom Molloy, Assistant Principal
Jon Barton, Assistant Principal

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
Leics
LE19 1RJ

Bankers

The Co-operative Bank
PO Box 101
1 Balloon Street
Manchester
M60 4EP

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and auditor's reports of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates an Academy for pupils aged 11 to 14 serving a catchment area in Enderby, Narborough, Littlethorpe, Huncote, Croft and Thurlaston. It has a pupil capacity of 900 and had a roll of 875 in the school census on 2 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Brockington College Academy Trust Limited are also the directors and Trustees of the charitable company for the purposes of company law. The Charitable Company is known as Brockington College.

Details of the Trustees who served throughout the year 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.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Recruitment of Trustees is outlined in the Memorandum and Articles of Association. Members shall appoint a minimum of 14 Trustees (11 who are appointees of the Diocese of Leicester Educational Trust and 1 who is the incumbent ex-officio). Trustees may co-opt up to 2 Trustees. The appointment of staff Trustees is via the process of a staff ballot. Appointment of Parent Trustees is made via parental ballot.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustee induction training alongside a menu of extensive specialized training is available through the local network of schools that support all new Trustees. The Academy buys into the LA Trustee Development Service, who across the Governing Body offer further Trustee training. A skills matrix is kept to identify areas of strength and weakness within the Governing Body.

ORGANISATIONAL STRUCTURE

The Board of Members meet at least annually to appoint new member Trustees and to receive the annual accounts.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The Full Governing Body meet at least 5 times per year and at each meeting they receive reports from the following sub committees:-

1. Finance and Pay and Conditions - which meets at least 5 times per year
2. Leadership and Management - which meets at least 3 times per year
3. Achievement – which meets at least 3 times per year
4. Teaching and Learning- which meets at least 3 times per year
5. Behaviour and Safety - which meets at least 3 times per year

The day to day management of the school is delegated to the Principal who has appointed a Leadership Team that meet weekly to discuss both strategic and day to day responsibilities.

A scheme of delegation has been approved which provides a clear line of responsibilities at all levels.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Brockington College works in conjunction with the Football Association to deliver sporting opportunities to the wider community.

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £131.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

Brockington College is an average-sized secondary school for students aged 11-14 which converted to Academy Trust status in August 2012.

Following a successful business case to the Education Funding Agency, Brockington College was granted permission to become an 11-16 secondary school and to increase the number on roll from 900 to 1200 pupils. In September 2015, the college will have Year 10 pupils and then Year 11 pupils in September 2016. The first set of GCSE exams will be taken by pupils in June 2017.

There are a high percentage of pupils that are White British, but also pupils from a range of ethnicities, attending the college.

Brockington College was last inspected by Ofsted in January 2014 and was judged to be a good school with outstanding elements.

The Church of England Voluntary Aided Status is central to the life of the college and although there are a variety of faith backgrounds, the strong Christian ethos of the college is a firm foundation for all that we do. During the last statutory inspection of Anglican schools, in November 2010, the school was graded as outstanding.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Trustees believe that the Academy's admissions policy and achievements and performance in the year (as outlined below) provide clear evidence that the Academy is meeting its obligations as a charity to deliver public benefit.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The key priority areas for the college for 2013-14 were:

1. To develop Teaching and Learning practices to an optimum level. For 2013-14, we aim to ensure that 100% of our teachers have an overall grading of good or better and that 40% of our teachers are graded as outstanding.
2. Ensure that Leadership and Management across the college provide the climate for all children to prosper. For 2013-14, we aim to ensure that all middle leaders use their rigorous monitoring and evaluation process as a driver for further success within the department/faculty.
3. Ensure that, through inclusive practices, all children make high levels of progress in all areas. For 2013-14, this will include narrowing the gap alongside targets given within the SIP and raising the level of achievement for able, gifted and talented pupils.
4. Seek additional opportunities for pupils through our extensive range of partnerships. For 2013-14, this will include developing initiatives that support teaching and learning, including teaching at KS4 and the growing of the school to become an outstanding 11-16 establishment.

These priorities were achieved in the following ways:

1. The college has a rigorous and robust monitoring and evaluation schedule in relation to teaching and learning. We ensure that we have the data available that allows us to reward, celebrate and share good practice. Additionally, we are able to prioritise support for members of staff when it is required. A high priority for the college is CPD for members of staff and we invest heavily in most precious resource, in this manner.
2. In 2013-14, we developed monitoring and evaluation to ensure that middle leaders became responsible for the success of pupils within their subject areas. Our systems moved from a top down process (which was necessary previously) to being led by our middle leaders. The recruitment of some outstanding practitioners, at senior and middle leader level, has also aided our development.
3. As part of rigorous monitoring, we track the progress of all pupils so that we are able to respond through targeted intervention. The use of small group intervention at Brockington, has been notably successful and has led to improved pupil performance and the narrowing of achievement gaps between groups of pupils. To support pupils receiving pupil premium funding, we pay for extra tuition in Maths and English and we have appointed a 'More and Most Able Coordinator' at the college to ensure that pupils of the highest ability levels receive work that challenges them and also have access to a wide range of extended opportunities.
4. We have recently become a strategic partner in a local teaching and learning alliance (TELA). This has given us access to a wide range of training opportunities. Additionally, our generous CPD budget means that all teaching staff have access to teaching training. All subject areas have also worked hard to develop links with other local schools that enables us to share resources as we approach the onset of Key Stage 4 education at Brockington.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

PUBLIC BENEFIT

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

The activities undertaken to further the Academy Trust's purpose for the Public Benefit include maximising the use of the school site, grounds and Artificial Turf Pitch to provide a community or social venue and opportunities for the general public on a daily basis (The College opens seven days a week).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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.

REVIEW OF ACTIVITIES

Please see details of achievements in the previous section, 'Objectives, Strategies and Activities'. In addition:

Brockington has continued to further invest this year in the continued development of teaching and learning across the college. This has continued to be through the provision of training and rigorous self-evaluation, as in previous years. Additionally, we have sought to employ the very best teachers with 11-16 experience (bearing in mind our imminent change of age range to 11-16 status) and made successful appointments in the roles of Director of Learning for Maths, Head of Science and an English teacher. These roles are expected to contribute significantly to our KS4 curriculum preparation and ultimately KS4 success. Again, we have seen a rise in the amount of good and better teaching to just short of 100% and outstanding teaching to 40%, both with an obvious consequential effect upon the achievement of pupils, which continues to place us in the top 25% of schools nationally for all subjects at most levels of achievement and in some cases within the top 10% of schools.

Our strategies to target vulnerable pupils are becoming increasingly successful. This includes, those identified through Pupil Premium funding (FSM/FSM Ever 6, LAC and Forces Children); pupils identified as having a special educational need (Statements, School Action, School Action+); pupils assessed as being Gifted and Talented; Year 7 pupils not yet at Level 4 and pupils that are not making expected progress. Our most successful intervention has been 'small group intervention', which involves tuition led by experienced teachers and is thus expensive but very effective. This work is aimed at closing the gap between those pupils in the groups identified above and all pupils.

Key Performance Indicators

- Appendix A: Ofsted Inspection report January 2014
- Appendix B: End of Key Stage 3 results summary July 2014
- Appendix C: Pupil attendance data 2013-14
- Appendix D: Number on roll data 2013-14
- Appendix E: Financial and investment performance

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

FINANCIAL REVIEW

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy Trust practices through its Board, namely the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Academy are included in the Risk Register and Management Plan and include:

- Reputational risk
- Performance risk
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs
- Risks associated with personnel

Control measures are identified in the Risk Register and Management Plan to manage these risks. Active promotion of the Academy is maintained and 3 to 5 year budgets are monitored carefully to facilitate any reduction in funding or change in pupil numbers due to demographic decline.

The college also has two insurance policies. One to mitigate the risk of the Local Government Pension deficit, which the college currently holds within its accounts and one to insure against staff long term absence.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

RESERVES POLICY

There are a number of constraints placed upon Academies in terms of financial management. One of these constraints is the inability to borrow funds. This constraint represents a key risk to Brockington College in relation to financial planning and monitoring.

One of the ways in which the Academy mitigates this risk is through the effective management of reserves, which provide alternative temporary funding streams should there be a delay in grant receipts or a sudden unforeseen increase in expenditure.

Trustees have agreed that an appropriate reserves balance would equate to 4 weeks worth of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £280,000.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

At 31 August 2014 the total funds comprised (£000):

Unrestricted	422
Restricted: Fixed asset funds	18,169
GAG	255
Pension reserve	(1,312)
Other	<u>16</u>
Total funds	<u>17,550</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent three months' worth of Academy expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

INVESTMENTS POLICY

The investment policy can be found in the Financial Management Manual and ensures that the Academy monitors cash flow on a regular basis and ensures that surplus funds are deposited so as to maximise the interest, with a consideration to only invest in risk free and short term deposit accounts, whilst limiting liability.

With the exception of the Co-op Bank, which is the main school bank account for payroll, goods and services, investments are limited to £85,000 to limit potential risk in view of limits of the Financial Services Compensation Scheme.

PLANS FOR FUTURE

FUTURE DEVELOPMENTS

The key priority areas for the college in 2014-15 are:

1. Further develop Teaching and Learning practices to an optimum level. For 2014-15, we aim to ensure that 100% of our teachers have an overall grading of good or better and that 50% of our teachers are graded as outstanding.
2. Ensure that Leadership and Management across the college provide the climate for all children to prosper. For 2014-15, we aim to ensure that all leaders work together to provide an environment where not only Key Stage 3, but also Key Stage 4 pupils, can thrive.
3. Ensure that, through inclusive practices, all children make high levels of progress in all areas. For 2014-15, this will include narrowing the gap alongside targets given within the SIP and further raising the level of achievement for able, gifted and talented pupils.
4. Seek additional opportunities for pupils through our extensive range of partnerships. For 2014-15, this will include developing initiatives that support teaching and learning, especially at KS4 and the growing of the school to become an outstanding 11-16 establishment.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

We plan to meet these priorities in the following ways:

1. To continue to prioritise high quality training for all members of staff; to prioritise the recruitment of good/outstanding practitioners; to develop a 'triad' system that provides teaching staff with an internal support and development programme alongside two colleagues.
 2. We are prioritising the involvement of our middle leaders at the college, alongside other local secondary schools, within GCSE development groups. Through this practice, the schools involved will be teaching and assessing GCSE work within Year 9 lessons. We have also provided non-contact time for not only leaders, but also for classroom teachers. This will enable all members of the teaching staff to prepare Key Stage 4 curricula for teaching from 2015-16.
 3. Small group intervention will remain a feature of our curriculum, particularly for vulnerable pupils who are not achieving in line with peers. The More and Most Able Coordinator has been retained at the college and has non-contact time set aside to support pupils.
 4. Please see point 2 above. Additionally, we will take advantage of our strategic partnership with the local teaching and learning alliance (TELA).
-

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as Custodian Trustee on behalf of others.

The Governors (who act as Trustees for the charitable activities of Brockington College) and are also the directors of Brockington College for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Trustees are aware:

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

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

AUDITOR

The Trustees have agreed to the reappointment of MHA MacIntyre Hudson as the auditing body for 2014-15.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 24 November 2014 and signed on the board's behalf by:

.....
G Spencer
Chair of Trustees

.....
C Southall
Accounting Officer

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Brockington College and the Secretary of State for Education. The Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Swinfield-Wells, Trustee	4	5
P Winkless, Responsible Officer	5	5
R Andrews, Trustee	4	5
J Blackwell, Trustee	4	5
J Briars, Trustee	5	5
M Brown, Vice Chair	4	5
T Day, Trustee	2	3
R Heames, Trustee	4	5
K Slipp, Trustee	4	5
F Speake, Trustee	5	5
G Spencer, Chair of Trustees	5	5
J Taylor, Trustee	5	5
M Walton, Trustee	5	5
P Johnson, Trustee	4	5
D Jones, Trustee	3	5
Y Doores, Staff Trustee	5	5
C Southall, Head Teacher	5	5
R Dunnett, Trustee	5	5
D Lane, Trustee	0	0
C Nash, Trustee	4	5
E Nolan, Staff Trustee	3	4
M McAllister, Trustee	3	3
K Saadat, Trustee	3	3
H Gleave, Trustee	2	2
P Graham, Trustee	2	2

Following a self-evaluation (skills audit) by the Governing Body the Trustee sub-committees were restructured into:

- Teaching & Learning
- Achievement
- Behaviour & Safety
- Leadership & Management
- Finance

GOVERNANCE STATEMENT (continued)

These committees focus on a specific area which has enabled a more in depth understanding to inform the reports given directly back to the full Governing Body. As a result Trustees are better informed on school progress and make a useful contribution to monitoring work and ultimately college improvement.

The Governing Body skills audit also ensured that training is now more directly linked with the individual Trustee's needs and committee links. New Trustees will complete a skills audit upon appointment, which will be reviewed approximately every two years.

A working party was also established to focus on the change to 11-16 status planned for September 2015. As a priority, the working party have held meetings (with both the working group and building management company) throughout the course of the year and progress reports have been given to the full governing body. Trustees have also been involved with building research, planning and the selection and appointment of the chosen building management company.

It was reported in the Ofsted inspection dated 15-16th January 2014 that "Trustees know the strengths of the college and what can improve further. They have a good range of skills and experience to support and challenge college leaders and managers".

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- review with the Principal, the staffing structure and salaries for the predicted annual financial budget.
- review the School Pay Policy, taking account of current legislation and any guidance issued by the Department of Education and to recommend amendments to the full governing body for approval.
- ensure that the School Pay Policy is applied.
- make recommendations to the full governing body, in respect of remuneration.
- set the annual budget and make recommendations to the full Governing Body.
- monitor and review the annual budget and report to the full Governing Body.
- monitor and review all income streams and report to the full Governing Body.
- present a report to the Full Governing Body at least once a term.
- recommend to the full Governing Body investment opportunities and to monitor such investments.
- make any other relevant recommendations to the full Governing Body that relate to finance or pay and conditions.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Blackwell, Trustee	4	5
M Brown, Chair	5	5
R Dunnett, Trustee	4	5
P Johnson, Trustee	3	5
C Southall, Principal	5	5
G Spencer, Chair of Trustees	3	5
J Swinfield-Wells, Trustee	4	5
M Walton, Trustee	4	5

The Finance and General Purposes Committee with the addition of the Responsible Officer (RO) forms the Audit Committee and is also a sub-committee of the main Board of Trustees. Its purpose is to:

- ensure correct accounting records are kept in accordance with the EFA Academy Reporting guidelines
- ensure a robust internal control system has been developed and co-ordinated by the Principal
- review audit reports and report to the full Governing Body

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Blackwell, Trustee	1	2
M Brown, Chair	2	2
R Dunnett, Trustee	2	2
P Johnson, Trustee	2	2
G Spencer, Chair of Trustees	2	2
C Southall, Principal	2	2
J Swinfield-Wells, Trustee	1	2
M Walton, Trustee	2	2
P Winkless, Reporting Officer	2	2

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 Brockington College from the 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the Leicestershire County Council as internal auditor and Mr P Winkless (Trustee) as the Responsible Officer.

The internal auditor and Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the internal auditor and Responsible Officer report to the Board of Trustees, through the Audit Committee/Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the board of Trustee's financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Leicestershire County Council and ensure continuous improvement of the system is in place.

The Leicestershire County Council Audit Report dated 27th February 2014 reported that "The minutes of the full Governing Body must explicitly evidence the formal approval of the annual budget." No further comments were made.

Approved by order of the members of the Board of Trustees on 24 November 2014 and signed on its behalf, by:

.....
G Spencer
Chair of Trustees

.....
C Southall, Principal
Accounting Officer

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

.....
C Southall, Principal
Accounting Officer

Date: 24 November 2014

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as Governors of Brockington College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law.

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

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

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

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

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

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

.....
G Spencer
Chair of Trustees

Date: 24 November 2014

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF BROCKINGTON COLLEGE

We have audited the financial statements of Brockington College for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's Trustees, 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 Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF BROCKINGTON COLLEGE

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
Leics
LE19 1RJ
2 December 2014

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
BROCKINGTON COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 October 2013 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 Brockington College during the year 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 Brockington College and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brockington College and 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 Brockington College and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BROCKINGTON COLLEGE'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Brockington College's funding agreement with the Secretary of State for Education dated 22 March 2013, 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 2013 to 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 year 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
BROCKINGTON COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Accounting Officer.
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of grants received and other income streams
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of payroll payments to staff
- evaluating the internal control procedures and reporting lines, and testing as appropriate
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity

CONCLUSION

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

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
Leics
LE19 1RJ

2 December 2014

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred on conversion	2	-	-	-	-	18,203
Activities for generating funds	3	293	-	-	293	295
Investment income	4	4	-	-	4	1
Funding for the Academy's Educational Operations	5	-	4,160	-	4,160	4,500
TOTAL INCOMING RESOURCES		297	4,160	-	4,457	22,999
RESOURCES EXPENDED						
Costs of activities for generating funds						
Educational activities	6,9	207	48	-	255	233
Educational activities	7	-	3,988	430	4,418	4,605
Governance costs	8	-	9	-	9	20
TOTAL RESOURCES EXPENDED	9	207	4,045	430	4,682	4,858
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		90	115	(430)	(225)	18,141

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		90	115	(430)	(225)	18,141
Transfers between funds	19	-	(39)	39	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		90	76	(391)	(225)	18,141
Actuarial (losses) and gains on defined benefit pension schemes		-	(381)	-	(381)	15
NET MOVEMENT IN FUNDS FOR THE YEAR		90	(305)	(391)	(606)	18,156
Total funds at 1 September 2013		332	(736)	18,560	18,156	-
TOTAL FUNDS AT 31 AUGUST 2014		422	(1,041)	18,169	17,550	18,156

All activities relate to continuing operations.

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

The notes on pages 25 to 46 form part of these financial statements.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08138965

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	15		18,169		18,560
CURRENT ASSETS					
Stocks	16	8		6	
Debtors	17	140		119	
Cash at bank		811		583	
			<u>959</u>	<u>708</u>	
CREDITORS: amounts falling due within one year	18	(266)		(231)	
NET CURRENT ASSETS			<u>693</u>		<u>477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,862</u>		<u>19,037</u>
Defined benefit pension scheme liability	24		(1,312)		(881)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>17,550</u>		<u>18,156</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	271		145	
Restricted fixed asset funds	19	18,169		18,560	
			<u>18,440</u>	<u>18,705</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,312)		(881)	
			<u>17,128</u>	<u>17,824</u>	
Total restricted funds					
Unrestricted funds	19		422		332
TOTAL FUNDS			<u>17,550</u>		<u>18,156</u>

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2014 and are signed on their behalf, by:

.....
G Spencer
Chair of Trustees

.....
C Southall
Accounting Officer

The notes on pages 25 to 46 form part of these financial statements.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	31 August 2014 £000	13 month period ended 31 August 2013 £000
Net cash flow from operating activities	21	263	492
Returns on investments and servicing of finance	22	4	1
Capital expenditure and financial investment	22	(39)	(141)
Cash transferred on conversion to an Academy Trust		-	231
INCREASE IN CASH IN THE YEAR		228	583

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	31 August 2014 £000	13 month period ended 31 August 2013 £000
Increase in cash in the year	228	583
MOVEMENT IN NET FUNDS IN THE YEAR	228	583
Net funds at 1 September 2013	583	-
NET FUNDS AT 31 AUGUST 2014	811	583

The notes on pages 25 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards 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 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

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

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fund.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

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

Long Leasehold Property	-	2% straight line per annum
Plant and machinery	-	20% straight line per annum
Fixtures, fittings & equipment	-	20% straight line per annum
Computer equipment	-	33% straight line per annum

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

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

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
Surplus from Local Authority on conversion	-	-	-	231
Fixed assets on conversion	-	-	-	18,820
Pension liability transferred from Local Authority on conversion	-	-	-	(848)
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	-	-	18,203
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
Rental and hire of facilities	128	-	128	128
Catering	149	-	149	163
Other income	10	-	10	4
Vending machine income	6	-	6	-
	<hr/>	<hr/>	<hr/>	<hr/>
	293	-	293	295
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
Investment income	4	-	4	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,689	3,689	4,109
Pupil Premium	-	129	129	114
Capital grants	-	19	19	-
Start up grants	-	-	-	25
Other EFA/DfE grants	-	95	95	3
	-	3,932	3,932	4,251
Other government grants				
Local Authority grants	-	-	-	44
	-	-	-	44
Other funding				
Trips and parental contributions	-	204	204	122
Insurance claims	-	24	24	83
	-	228	228	205
	-	4,160	4,160	4,500

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	13 month period ended 31 August 2013 £000
Catering	70	48	118	126
Premises costs	22	-	22	-
Kitchen and premises staff costs	115	-	115	107
	207	48	255	233

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. CHARITABLE ACTIVITIES

	Total funds 2014 £000	13 month period to 31 August 2013 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,136	2,247
National insurance	157	163
Pension cost	317	313
Depreciation	430	401
Educational supplies	37	51
Staff development	31	23
Other direct costs	156	171
Insurance	26	11
	<u>3,290</u>	<u>3,380</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	487	517
National insurance	27	30
Pension cost	72	67
Pension finance cost	31	34
Travel and subsistence	4	3
Recruitment and support	6	13
Maintenance of premises and equipment	99	218
Cleaning	10	12
Rent and rates	59	47
Energy costs	75	107
Insurance	52	46
Catering	-	16
Legal and professional	24	23
Other support costs	143	46
Bank charges and interest	39	46
	<u>1,128</u>	<u>1,225</u>
	<u><u>4,418</u></u>	<u><u>4,605</u></u>

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. GOVERNANCE COSTS

	Total funds 2014 £000	13 month period ended 31 August 2013 £000
Governance costs	9	20

9. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2014 £000	2014 £000	2014 £000	2014 £000	2013 £000
Costs of generating voluntary income	115	-	140	255	233
Costs of generating funds	115	-	140	255	233
Educational Operations	2,610	430	250	3,290	3,380
Support costs	617	257	254	1,128	1,225
Charitable activities	3,227	687	504	4,418	4,605
Governance	-	-	9	9	20
	3,342	687	653	4,682	4,858

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	31 August 2014 £000	13 month period ended 31 August 2013 £000
Depreciation of tangible fixed assets:		
- owned by the charity	430	401
Auditor's remuneration for audit services	8	7
Auditor's remuneration for non-audit services	-	1
Operating lease rentals:		
- other operating leases	1	-
	=====	=====

11. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014 £000	13 month period ended 31 August 2013 £000
Wages and salaries	2,681	2,771
Social security costs	187	195
Other pension costs	404	395
	-----	-----
	3,272	3,361
Supply teacher costs	39	82
FRS 17 Pension costs (see note 13)	31	34
	-----	-----
	3,342	3,477
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

b. Staff numbers

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

	31 August 2014 No.	13 month period ended 31 August 2013 No.
Teaching	39	33
Administration and support	46	44
Management	7	7
	<hr/> 92 <hr/>	<hr/> 84 <hr/>

c. Higher paid staff

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

	31 August 2014 No.	13 month period ended 31 August 2013 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1
	<hr/> 2 <hr/>	<hr/> 2 <hr/>

The above employees contribute to the Teachers Pension Scheme. The annualised contributions for the employees were £9,109 (2013 - £9,102) and £12,305 (2013 - £11,882) respectively.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. TRUSTEES' REMUNERATION AND EXPENSES

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

	31 August	13 month period ended 31 August
	2014	2013
	£000	£000
Chris Southall (Principal)	85-90	90-95
Chris Southall Pension	10-15	10-15
Staff Governor 1	-	40-45
Staff Governor 1 Pension	-	5-10
Staff Governor 2	10-15	10-15
Staff Governor 2 Pension	0-5	0-5
Staff Governor 3	-	5-10
Staff Governor 3 Pension	-	0-5
Staff Governor 4	20-25	-
Staff Governor 4 Pension	0-5	-

During the year, one Trustee received reimbursement of expenses of £95 (2013 - £NIL).

Other related party transactions involving Trustees are set out in note 25.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2014 was £131 (2013 - £131). The cost of this insurance is included in the total insurance cost.

14. OTHER FINANCE INCOME

	31 August	13 month period ended 31 August
	2014	2013
	£000	£000
Expected return on pension scheme assets	52	34
Interest on pension scheme liabilities	(83)	(68)
	(31)	(34)

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

15. TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £000	Leasehold property improvements £000	Fixtures and fittings £000	Computer equipment £000
Cost or valuation				
At 1 September 2013	18,816	14	47	84
Additions	-	6	7	26
At 31 August 2014	<u>18,816</u>	<u>20</u>	<u>54</u>	<u>110</u>
Depreciation				
At 1 September 2013	380	-	7	14
Charge for the year	387	-	10	33
At 31 August 2014	<u>767</u>	<u>-</u>	<u>17</u>	<u>47</u>
Net book value				
At 31 August 2014	<u>18,049</u>	<u>20</u>	<u>37</u>	<u>63</u>
At 31 August 2013	<u>18,436</u>	<u>14</u>	<u>40</u>	<u>70</u>

		Total £000
Cost or valuation		
At 1 September 2013		18,961
Additions		39
At 31 August 2014		<u>19,000</u>
Depreciation		
At 1 September 2013		401
Charge for the year		430
At 31 August 2014		<u>831</u>
Net book value		
At 31 August 2014		<u>18,169</u>
At 31 August 2013		<u>18,560</u>

Included in long leasehold land and buildings is land at a valuation of £1,275,000 (2013 - £1,275,000) which is not depreciated.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

16. STOCKS

	2014	2013
	£000	£000
Closing catering stock and supplies	8	6

17. DEBTORS

	2014	2013
	£000	£000
Trade debtors	1	3
VAT recoverable	40	41
Prepayments and accrued income	99	75
	140	119

18. CREDITORS:
Amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	30	-
Taxation and social security	52	56
Other creditors	53	48
Accruals and deferred income	131	127
	266	231

Deferred income

	£000
Deferred income at 1 September 2013	68
Resources deferred during the year	74
Amounts released from previous years	(68)
Deferred income at 31 August 2014	74

At the balance sheet date the Academy Trust was holding funds received in advance for school trips and rates reimbursement.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

19. STATEMENT OF FUNDS

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
Unrestricted funds	332	297	(207)	-	-	422
Restricted funds						
General Annual Grant (GAG)	145	3,689	(3,540)	(39)	-	255
Capital grants	-	19	(19)	-	-	-
Other DfE/EFA grants	-	95	(95)	-	-	-
Pupil premium	-	129	(113)	-	-	16
Other income	-	228	(228)	-	-	-
Pension reserve	(881)	-	(50)	-	(381)	(1,312)
	(736)	4,160	(4,045)	(39)	(381)	(1,041)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	18,560	-	(430)	39	-	18,169
Total restricted funds	17,824	4,160	(4,475)	-	(381)	17,128
Total of funds	18,156	4,457	(4,682)	-	(381)	17,550

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

19. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Transfers of £39,000 from GAG funding to the restricted fixed asset fund represents contributions towards the fixed asset additions during the year.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other DfE/EFA Grants

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

Pupil premium

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	13 month period ended 31 August
	2014	2014	2014	2014	2013
	£000	£000	£000	£000	£000
Tangible fixed assets	-	-	18,169	18,169	18,560
Current assets	422	537	-	959	707
Creditors due within one year	-	(266)	-	(266)	(230)
Provisions for liabilities and charges	-	(1,312)	-	(1,312)	(881)
	<u>422</u>	<u>(1,041)</u>	<u>18,169</u>	<u>17,550</u>	<u>18,156</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August	13 month period ended
	2014	31 August
	£000	2013
		£000
Net incoming resources	(225)	18,141
Returns on investments and servicing of finance	(4)	(1)
Fixed assets transferred from Local Authority on conversion	-	(18,820)
Pension transferred from Local Authority on conversion	-	848
Depreciation of tangible fixed assets	430	401
Increase in stocks	(2)	(6)
Increase in debtors	(21)	(119)
Increase in creditors	35	231
Cash transferred on conversion to an Academy Trust	-	(231)
FRS 17 adjustments	50	48
	<u>263</u>	<u>492</u>
Net cash inflow from operations	263	492

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

	31 August	13 month period ended
	2014	31 August
	£000	2013
		£000
Returns on investments and servicing of finance		
Interest received	4	1
	<u>4</u>	<u>1</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(39)	(141)
	<u>(39)</u>	<u>(141)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	583	228	-	811
Net funds	583	228	-	811

24. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £51,466 were payable to the scheme at 31 August 2014 (2013 - £45,840) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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%);

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

- 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 (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

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.

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 from April 2012 on a 40:80:100% 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 is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £189,000, of which employer's contributions totalled £145,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are 18.2% for employers and 6.1% for employees.

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.

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.30	712	6.60	538
Bonds	3.30	173	3.80	219
Property	4.50	102	4.70	76
Cash	3.30	31	3.60	8
Total market value of assets		1,018		841
Present value of scheme liabilities		(2,330)		(1,722)
Deficit in the scheme		(1,312)		(881)

The amounts recognised in the Balance Sheet are as follows:

	31 August 2014 £000	13 month period ended 31 August 2013 £000
Present value of funded obligations	(2,330)	(1,722)
Fair value of scheme assets	1,018	841
Net liability	(1,312)	(881)

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

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

	31 August	13 month period ended
	2014	31 August
	£000	2013
		£000
Interest on obligation	(83)	(68)
Expected return on scheme assets	52	34
Current service cost	(164)	(142)
	<u>(195)</u>	<u>(176)</u>
Total	<u>(195)</u>	<u>(176)</u>
Actual return on scheme assets	<u>110</u>	<u>84</u>

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

	31 August	13 month period ended
	2014	31 August
	£000	2013
		£000
Opening defined benefit obligation	1,722	1,437
Interest cost	83	68
Contributions by scheme participants	44	40
Actuarial losses	350	35
Current service costs	164	142
Benefits paid	(33)	-
	<u>2,330</u>	<u>1,722</u>
Closing defined benefit obligation	<u>2,330</u>	<u>1,722</u>

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

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

	31 August	13 month period ended
	2014	31 August
	£000	2013
		£000
Opening fair value of scheme assets	841	589
Expected return on assets	52	34
Actuarial (losses)/gains	(31)	50
Contributions by employer	145	128
Contributions by employees	44	40
Benefits paid	(33)	-
	<u>1,018</u>	<u>841</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £366,000 loss (2013 - £15,000 gain).

The Academy expects to contribute £168,000 to its Defined Benefit Pension Scheme in 2015.

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

	2014	2013
Equities	70.00 %	64.00 %
Bonds	17.00 %	26.00 %
Property	10.00 %	9.00 %
Cash	3.00 %	1.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.50 %	5.70 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.2	20.9
Females	24.3	23.3
Retiring in 20 years		
Males	24.2	23.3
Females	26.6	25.6

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000
Defined benefit obligation	(2,330)	(1,722)
Scheme assets	1,018	841
Deficit	(1,312)	(881)
Experience adjustments on scheme liabilities	(350)	(35)
Experience adjustments on scheme assets	(31)	50

25. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Between 2 and 5 years	-	-	4	-

26. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the year of account.

27. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Principal and Vice Principal.

28. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have capital.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

29. MEMBERS LIABILITY

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