

Registered number: 08138965

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Members

M Lawson
G Spencer
J Taylor

Trustees

J Swinfield-Wells, Trustee^{1,2,5}
P Winkless, Trustee (deceased 24 July 2015)^{2,4}
R Andrews, Trustee^{2,4}
J Blackwell, Trustee (deceased 17 March 2015)^{1,2,6}
J Briars, Trustee^{2,6}
M Brown, Trustee^{1,2,3}
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^{2,4}
Y Doores, Staff Trustee^{2,6}
C Southall, Head Teacher^{1,2,4}
R Dunnett, Trustee^{1,2,4}
C Nash, Trustee^{2,6}
E Hawthorne, Staff Trustee^{1,2,3}
M McAllister, Trustee^{2,6}
K Saadat, Trustee^{2,6}
H Gleave, Trustee^{1,2,3}
P Graham, Trustee^{2,6}
U Patel, Trustee^{1,5}
C Bates, Trustee (appointed 19 March 2015)⁵

- 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
Leicester
LE19 4AQ

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

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
Jon Barton, Assistant Principal

Independent auditor

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

Bankers

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

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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 2015. 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 16 serving a catchment area in Enderby, Narborough, Littlethorpe, Huncote, Croft and Thurlaston. It has a pupil capacity of 1,200 and had a roll of 1,123 in the school census on 1 October 2015.

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 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.

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.

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

ORGANISATIONAL STRUCTURE

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

The Full Governing Body meets at least 5 times each 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 Academy 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.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

Brockington College is an average-sized secondary school for students aged 11-16 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 1,200 pupils. From September 2015, the college has accepted Year 10 pupils and then in September 2016, Year 11 pupils. 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 Academy and although there are a variety of faith backgrounds, the strong Christian ethos of the Academy 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 Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors 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 Academy for 2014-15 were:

1. Further develop Teaching and Learning practices to an optimum level. For 2014-15, we aimed 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 Academy provide the climate for all children to prosper. For 2014-15, we aimed to ensure that all leaders worked 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 Academy to become an outstanding 11-16 establishment.

These priorities were achieved in the following ways:

1. The Academy 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 our most precious resource, in this manner. As a result of this work, we graded 93% of our teaching and learning at good and better and 37% at outstanding. This was a further increase in standards on the previous year.
2. In 2014-15, we ensured that all middle leaders and subject teachers were provided with non-contact time to support the writing of KS4 schemes of work and curricula in preparation for our change to an 11-16 school. There were also regular meetings for middle leaders with members of SLT to discuss the progress that had been made with KS4 schemes of work and curricula. Additionally, a KS4 start-up budget was provided for each subject area in order to purchase the resources needed for KS4 lessons. The formation of an Extended Senior Leadership Team in 2014-15 also helped to provide further capacity for Academy leadership.
3. As part of rigorous monitoring, we continue to 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 continued to be 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 the 'More and Most Able Coordinator' at the college has organised a variety of curricular and extra-curricular opportunities for these pupils that has supported higher levels. Our headline data for the end of KS3 in 2014-15 was:

English KS2 – KS3 APS progress overall: 11.9; Reading 10.4; Writing: 11.4. 2LP: 82% L5 – 95%, L6 – 80%, L7 – 40%, L8 – 3%

Maths KS2 – KS3 APS progress: 11.6. 2LP: 82%. L5 – 99%, L6 – 86%, L7 – 41%, L8 – 10%.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

other local schools that enables us to share resources as we approach the onset of Key Stage 4 education at Brockington. The Principal is currently Chair of Learning South Leicestershire (17 secondary schools) and we participate in a Peer Challenge Review system with other strategic members of TELA.

PUBLIC BENEFIT

The Governors 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 Academy site, grounds and artificial turf pitch to provide a community or social venue and opportunities for the general public on a daily basis. (The Academy opens seven days a week).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY PERFORMANCE INDICATORS

Ofsted Inspection report January 2014

<http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/138521>

End of Key Stage 3 results summary July 2015

Key points 2 Levels progress

There was an increase of 11% this year compared to 2014 in the percentage of pupils making two levels of progress in English based on pure level progress e.g. (4A-6C). In maths there was a decrease of 5% compared to last year. In Science there was a drop of 5% from the figures for 2014. Using 12 points from KS2 as the measure of progress, English increased from 2014 at 43% making 2 levels progress to 65% in 2015. Maths decreased in the number of pupils making 2 levels progress by 11%.

Analysis of the progress of different groups in English shows a gap in the pure 2 levels progress made between boys and girls of 15% in favour of girls. There was a gap of 27% between SEN pupils and non SEN pupils in favour of non SEN pupils. Pupil Premium pupils made 7% less progress than non PP pupils. In maths there was a gap of 11% in favour of girls. There was a gap of 19% between the 2 levels progress made by non SEN pupils and SEN pupils in favour of non SEN pupils. There was only a 7% gap between Pupil Premium pupils and non PP pupils. In Science the 2 levels pure progress made by boys was 6% greater than girls.

Group analysis based on 12 points progress as being 2 levels progress shows that in English there was a gap in favour of girls of 16%. The gap between SEN and non SEN pupils was 36% in favour of non SEN. There was a gap in the percentage of Pupil Premium pupils making 2 levels progress compared to non PP pupils of 7%.

In Maths 64% of girls made two levels progress compared to 56% of boys. 29% of SEN pupils made 2 levels progress compared to 63% of non SEN. This is a gap of 34%. There was also a gap of 13% for pupil premium pupils compared to non PP pupils. (PPI 49% non PPI 62% 2 levels progress) EAL pupils did better than non EAL pupils in both English and Maths.

Key Points KS2—KS3 APS progress

There was nearly a 1 point decrease in the overall APS progress made from last year despite the cohort having a higher APS on entry.

In English only SEN pupils made less than 10.8 points progress. In Maths SEN, FSM and KS2 L4 middle ability band pupils made less than 10.8 points progress.

Additional Points

Pupils who have EAL are making good progress (2 levels).

Just under one half of all SEN pupils in English still make less than 2 levels pure progress. In Maths just under two thirds of SEN pupils make two pure levels progress.

97% of G&T pupils made two levels progress in English and Maths compared to 80% for non G&T pupils.

There are still gender gaps in 2 levels progress. More boys need to make 2 levels of progress in English and Maths.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Gender

There is a small gender gap in English of 3% at level 5+ in favour of girls. There is no gender gap in the other core subjects;

There are significant gaps between boys and girls in English at levels 6+ and 7+ in favour of girls. 17% more girls achieved level 6+ and 23% more girls achieved level 7+. This gap has widened at 6+ and 7+ since 2014;

There is no significant gender difference in attainment at levels 6+ to 8 in Maths or Science;

Male achievement in English has improved compared to the results for 2014 with a 13% increase at L7+

Female achievement has improved at level 6+ and 7+. At L7+ it has increased by 20%;

Boys and girls achievement in Maths has improved since 2014 at L5+ and 6+. There has been a similar decline at 7+ for both boys and girls;

There is no gender gap in Science and both genders had a slight decline from 2014 at L6+ and a slight increase from 2014 at L7+;

Point to address in action point summary is closing the gender gap in English for boys at all levels.

SEN

SEN pupils in general achieved significantly lower results than non SEN pupils at all levels in core subjects;

The achievement of SEN pupils in Maths has improved at L5+ but declined at L6+ by 10% and at L7+ by 15% since 2014;

The achievement of SEN pupils in Science has declined at L6+ and 7+ since 2014 with a 15% drop at L6+ and a 7% drop at L7+.

G&T

G&T pupils achievement was higher than all pupils at all levels in all the core subjects;

The level of attainment for G&T pupils has continued to be high at L5+ to L7+ and has improved further at L8 since 2014.

Pupil Premium

The pupil premium cohort this year was made up of 61 pupils.

Pupil Premium (PPI) pupils achieved lower results than non PPI pupils at all levels in core subjects.

The level of attainment has improved since 2014 for PPI pupils in core subjects in general apart from Maths at level 6+ and 7+ where there was a small decrease from last year of 7% at 6+ and 4% at 7+.

EAL Pupils

This group has seen a change in attainment since 2014 when compared to non EAL pupils with non EAL pupils doing better in all core subjects at level 6+.

At level 7+ EAL pupils matched non EAL pupils in English but had a lower attainment than non EAL pupils in Maths and Science.

Ethnicity

The attainment of Asian pupils matched non Asian pupils at L5+ but in English at L6+ the attainment of Asian pupils was lower by 10%. It was 2% lower in Science as well but in Maths at L6+ Asian pupils performed 7% better than non Asian pupils. Asian pupils performed slightly worse than non Asian pupils in all core subjects at L7+.

Average Level 3 at KS2

64% of pupils with an average level of 3 or less at KS2 achieved level 5 in English. This was considerably lower than non L3 pupils at 99% and was a drop of 3% on 2014. There is now a declining trend from the highpoint of 2013 when this group achieved 79% level 5+. The figure was 97% for maths compared to 100% for non L3 KS2 pupils. This was an increase in attainment for L3 KS2 pupils since 2014 of 30%. L3 KS2 pupils in Science were 5% lower than non L3+ pupils at 5+.

The gap widens considerably at level 6+.

KS2 level 3 pupils did not attain as well as the cohort average.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Average Level 4 at KS2

Average L4 at KS2 pupils matched the attainment of non L4 KS2 pupils at levels 5+ in core subjects. Average L4 pupils did better than non L4 KS2 pupils at L6+ in all core subjects but performed worse at 7+.

Average Level 5 at KS2

The attainment of level 5 KS2 pupils was higher than the cohort average at all levels in core subjects. 77% of these pupils achieved level 7+ in English which was an improvement of 15% since 2014. 80% achieved 7+ in maths compared to 87% for 2014 and 80% achieved L7+ in Science compared to 82% for 2014. At L8+ there was a 1% improvement in English, a 2% decline in Maths and a 1% improvement in Science since 2014

Achievement and Trend Analysis 2014

Result Summary points

All subjects achieved the cohort FFT D 5+ and 6+ predictions apart from English L5+ and Art, MFL & PE at 6+. English, Science, Geography, History and ICT met the predictions at level 7+.

The APS score for 2015 has improved from 40.2 in 2014 to 40.7 in 2015.

There is an improving trend over the last 5 years for the number of pupils making 2 levels of progress in English and Science based on pure levels. Levels have remained fairly static in Maths over the same period.

The upward trend based on 12 points progress has continued in English. The figures for Maths are again fairly static.

The 5 year core APS trend is still upward.

Main Action Points for core subjects identified:

1. Close the gender gap in attainment and progress at all levels between boys and girls in English
2. Ensure maths achieves FFT D PA predictions at L7+ for 2015-16
3. Maintain the percentage of pupils making two levels of progress in English to at least 80% of the cohort based on pure levels and to at least 65% based on 12 points progress
4. Increase level 8 attainment in Maths to 15% and level 8 attainment in English to 5%
5. Narrow/close the gap in attainment and progress between pupil groups and the cohort average with emphasis on closing the Pupil Premium (PPI) progress gap in English based on pure levels from 7% to 0% and on 12 points progress from 7% to 0%.
6. Narrow/close the gap in attainment and progress between pupil groups and the cohort average with emphasis on closing the Pupil Premium (PPI) progress gap in Maths based on pure levels from 7% to 0% and on 12 points progress from 13% to 0%.
7. Close the PPI attainment gap in English from 7% to 0% at level 6+ and from 12% to 0% at L7+
8. Close the pupil premium gap in attainment in Maths at 6+ from 8% to 0% and from 20% to 10% at L7+
9. In English close the gender gap in boys progress and attainment for reading and writing and overall.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Pupil attendance data 2014-15

Period: 28/08/2014 AM to 10/07/2015 PM

YearGp	Pupils in group	Attendances	Authorised Absences	Unauthorised Absences	Late Before	Late After	/	\
Year 9	311	94.5	5.1	0.4	1.8	0.0	44.9	45.7
Year 8	306	95.5	4.1	0.4	0.9	0.0	46.2	46.4
Year 7	290	96.2	3.6	0.1	0.7	0.0	47.2	47.4
Totals	907	95.4	4.3	0.3	1.1	0.0	46.1	46.5

Number on roll data 2014-15 (10/07/15)

Year 7	Year 8	Year 9
285	297	308

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.

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.

RESERVES POLICY

At 31 August 2015 the total funds comprised:

Unrestricted:		397
Restricted:	Fixed asset funds	17,864
	GAG	121
	Pension reserve	(1,430)
	Other	24
Total		16,976

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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

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 24. 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. Restricted funds will be spent in accordance with the terms of funding agreements. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors has been to increase this reserve to meet current working capital requirements. The capital requirements are the lease, installation and furnishing of an 18 classroom modular build, to accommodate the additional pupil numbers as the school moves to become 11-16 in September 2015.

INVESTMENT POLICY

The investment policy can be found in the Financial Management Manual and ensures that the Academy monitor cash flow on a regular basis and that surplus funds are deposited so as to maximise 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 £75,000 to limit liability.

Financial and investment performance

INVESTMENT PROVIDER	£ INVESTED	INTEREST EARNT
Notice Accounts Co-Op	300,000**	2,648.35
Co-Op Current/Deposit Account	*	1,291.31
Hinckley & Rugby Building Society	85,000***	1,817.25
United Trust Bank	85,000	1,493.32
Saffron Building Society	85,000	Annual interest yet to be received

*This is the current account through which all income and expenditure operates. A float of £150 is held within the account whilst the remaining balance is "swept" automatically overnight to an interest account (deposit account), the balance of which varies daily.

The Ofsted report dated 15-16 January 2014 stated that "Finances are managed very well. In the last couple of years since the college opened as an Academy they have balanced what was a deficit budget and now have a small planned surplus to ease the planned move to an 11-16 Academy".

** Withdrawn in 26 November 2014 to support costs of building requirements for 11-16 change.

*** Withdrawn in 27 August 2015 to support costs of building requirements for 11-16 change.

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TRUSTEES' REPORT (continued)
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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 Academy also has two insurance policies. One to mitigate the risk of the Local Government Pension Scheme deficit, which the Academy 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.

PLANS FOR FUTURE

FUTURE DEVELOPMENTS

The key priority areas for the Academy in 2015 -16 are:

1. Ensure that Leadership and Management across the Academy provide the climate for all children to prosper. For 2015-16, 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 through achieving our whole-school targets.
2. Further develop Teaching and Learning practices to an optimum level. For 2015-16, 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.
3. Ensure that, through inclusive practices, barriers to learning are reduced so that all children make high levels of progress in all areas. We aim to narrow the gap for PPI children alongside targets given within the SIP and to further raise the level of achievement for more and most able pupils.
4. For 2015-16, pupil outcomes will be to make 12 points progress across KS3 and for KS4 pupils to meet ambitious targets of at least 3 levels progress from KS2.
5. Seek additional opportunities for pupils through our extensive range of partnerships. For 2015-16, this will include developing initiatives that support teaching and learning, especially at KS4 and the growing of the Academy to become an outstanding 11-16 establishment.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 undertake a peer review of our practices; to continue our 'triad' system that provides teaching staff with an internal support and development programme alongside two colleagues; to routinely analyse performance data in order to intervene with pupils.
2. We are continuing our successful triad work and will support our NQTs through their involvement in an internal coaching programme alongside senior members of staff, as well as external training. We will also provide additional non-contact time for not only leaders, but also for classroom teachers. This will enable all members of the teaching staff to prepare the new Key Stage 4 curricula for teaching from 2016-17.
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 Academy and has non-contact time set aside to continue to support pupils.
4. We will routinely analyse performance data in order to provide intervention opportunities for pupils. Following each of the four assessment points in Year 10, senior leaders will meet for Post-Assessment Briefings (PAB) with all middle leaders to verify the accuracy of performance data and to discuss intervention.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

AUDITOR

The Trustees have agreed to the reappointment of MHA MacIntyre Hudson as the auditing body for 2015-16.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2015 and signed on the Board's behalf by:


.....
G Spencer
Chair of Trustees


.....
C Southall
Accounting Officer

BROCKINGTON COLLEGE
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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. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 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
R Andrews, Trustee	3	6
C Bates, Trustee	2	4
J Blackwell, Trustee	0	3
J Briars, Trustee	4	6
M Brown, Trustee	5	6
Y Doores, Staff Trustee	5	6
R Dunnett, Trustee	6	6
H Gleave, Trustee	6	6
P Graham, Trustee	5	6
E Hawthorne, Staff Trustee	3	6
R Heames, Trustee	5	6
P Johnson, Trustee	5	6
M McAllister, Trustee	4	6
C Nash, Trustee	5	6
U Patel, Trustee	6	6
K Saadat, Trustee	6	6
K Slipp, Trustee	5	6
C Southall, Head Teacher	5	6
F Speake, Trustee	6	6
G Spencer	6	6
J Swinfield-Wells, Trustee	6	6
J Taylor, Trustee	5	6
M Walton, Trustee	5	6
P Winkless, Trustee	6	6

Following a self-evaluation (skills audit) by the Governing Body in 2013-14, the Governor sub committees were restructured into:

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

These committees focus on a specific area which has enabled a more indepth understanding to inform the

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

reports given directly back to the full Governing Body. As a result Governors 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 Governor's needs and committee links. New Governors will complete a skills audit upon appointment, which will be reviewed approximately every two years.

A working party was established in September 2013, to focus on the change to 11-16 status (September 2015). As a priority, the working party have held meetings throughout the course of the last 2 years and progress reports have been given to the full governing body. An 18 classroom modular build has been successfully secured, but the committee will continue to meet and plan for the next phase, which will include a CIF (Condition Improvement Fund) bid, in December 2015.

It was reported in the Ofsted inspection dated 15-16 January 2014 that "Governors 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
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Blackwell, Trustee	3	3
M Brown, Chair	5	5
R Dunnett, Trustee	4	5
H Gleave, Trustee	4	4
E Hawthorne, Staff Trustee	1	4
U Patel, Trustee	4	4
C Southall, Head Teacher	5	5
G Spencer, Chair of Trustees	3	5
J Swinfield-Wells, Trustee	5	5
M Walton, Trustee	5	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

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Sourcing a modular build lease, negotiating a three year, six year and final buy price, which compares extremely favourably with previous quotations/options, whilst giving all the additional space needed for the additional pupils (roll rising from 890 to 1400 within the next two years).
- Reviewing all contracts for services and re-negotiating or changing provider. This includes gas and electric which have resulted in major savings. Light bulbs have now been or are in the process of being changed to energy savings bulbs.
- Opening the Academy 7 days a week to maximise income potential whilst providing the community with additional sporting and social opportunities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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; and
- identification and management of risks.

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

The internal auditor'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 reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (continued)


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 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 a plan to address weaknesses and ensure continuous improvement of the system is in place. The Leicestershire County Council Audit Report dated 9 February 2015 reported that there were no points to be raised and that the College's financial systems and procedures are maintained to a high standard." No further comments were made.

Approved by order of the members of the Board of Trustees on 30 November 2015 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 for Education. 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 EFA.



.....
C Southall, Principal
Accounting Officer

Date: 30 November 2015

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 that period. In preparing these financial statements, the Trustees are required to:

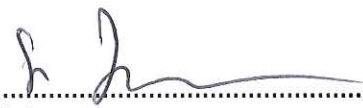
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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: 30 November 2015

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROCKINGTON COLLEGE

We have audited the financial statements of Brockington College for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 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 MEMBERS 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.

MHA MacIntyre Hudson

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
LE19 1RJ

Date: 18 / 12 / 15

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 19 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brockington College during the year ended 31 August 2015 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 ended 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 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.

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;

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

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

- 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 ended to 31 August 2015 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

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 18 / 12 / 15

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 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	11	-	11	-
Activities for generating funds	3	336	6	-	342	293
Investment income	4	7	-	-	7	4
Funding for the Academy Trust's educational operations	5	-	3,935	18	3,953	4,160
TOTAL INCOMING RESOURCES		343	3,952	18	4,313	4,457
RESOURCES EXPENDED						
Costs of activities for generating funds	6	249	25	-	274	255
Academy Trust's educational operations	7	-	4,117	442	4,559	4,418
Governance costs	8	-	13	-	13	9
TOTAL RESOURCES EXPENDED	9	249	4,155	442	4,846	4,682
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		94	(203)	(424)	(533)	(225)

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		94	(203)	(424)	(533)	(225)
Transfers between funds	19	(119)	-	119	-	-
NET EXPENDITURE FOR THE YEAR		(25)	(203)	(305)	(533)	(225)
Actuarial losses on defined benefit pension schemes		-	(41)	-	(41)	(381)
NET MOVEMENT IN FUNDS FOR THE YEAR		(25)	(244)	(305)	(574)	(606)
Total funds at 1 September 2014		422	(1,041)	18,169	17,550	18,156
TOTAL FUNDS AT 31 AUGUST 2015		397	(1,285)	17,864	16,976	17,550

All activities relate to continuing operations.

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


The notes on pages 30 to 49 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	15		17,864		18,169
CURRENT ASSETS					
Stocks	16	6		8	
Debtors	17	79		140	
Cash at bank		673		811	
		<u>758</u>		<u>959</u>	
CREDITORS: amounts falling due within one year	18	(216)		(266)	
NET CURRENT ASSETS			542		693
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	24		(1,430)		(1,312)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,976		17,550
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	145		271	
Fixed asset funds	19	17,864		18,169	
Restricted funds excluding pension liability		<u>18,009</u>		<u>18,440</u>	
Pension reserve		<u>(1,430)</u>		<u>(1,312)</u>	
Total restricted funds			16,579		17,128
Unrestricted funds	19		397		422
TOTAL FUNDS			16,976		17,550

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:


.....
G Spencer
Chair of Trustees


.....
C Southall
Accounting Officer

The notes on pages 30 to 49 form part of these financial statements.

BROCKINGTON COLLEGE
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	21	(26)	263
Returns on investments and servicing of finance	22	7	4
Capital expenditure and financial investment	22	(119)	(39)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(138)	228

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	2014 £000
(Decrease)/increase in cash in the year	(138)	228
MOVEMENT IN NET FUNDS IN THE YEAR	(138)	228
Net funds at 1 September 2014	811	583
NET FUNDS AT 31 AUGUST 2015	673	811

The notes on pages 30 to 49 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 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.

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 in the restricted funds.

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 2015

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 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 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
Short-term leasehold property	-	2% 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 2015

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

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

1.9 Taxation

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

1.10 Pensions

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	-	11	11	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Rental and hire of facilities	145	-	145	128
Catering	184	-	184	149
Other income	3	6	9	10
Vending machine income	4	-	4	6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>336</u>	<u>6</u>	<u>342</u>	<u>293</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Investment income	7	-	7	4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,490	3,490	3,689
Pupil Premium	-	153	153	129
Capital grants	-	18	18	19
Other EFA/DfE grants	-	45	45	95
	<u>-</u>	<u>3,706</u>	<u>3,706</u>	<u>3,932</u>
Other government grants				
Local Authority grants	-	52	52	-
	<u>-</u>	<u>52</u>	<u>52</u>	<u>-</u>
Other funding				
Trips and parental contributions	-	149	149	204
Insurance claims	-	20	20	24
Other income	-	26	26	-
	<u>-</u>	<u>195</u>	<u>195</u>	<u>228</u>
	<u>-</u>	<u>3,953</u>	<u>3,953</u>	<u>4,160</u>

6. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Catering	107	25	132	118
Premises costs	23	-	23	22
Kitchen and premises staff costs	119	-	119	115
	<u>249</u>	<u>25</u>	<u>274</u>	<u>255</u>

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7. CHARITABLE ACTIVITIES

	Total funds 2015 £000	Total funds 2014 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,174	2,136
National insurance	163	157
Pension cost	362	317
Depreciation	442	430
Educational supplies	60	37
Staff development	35	31
Other direct costs	119	156
Insurance	27	26
	<u>3,382</u>	<u>3,290</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	547	487
National insurance	29	27
Pension cost	92	72
Pension finance cost (note 14)	29	31
Travel and subsistence	4	4
Recruitment and support	14	6
Maintenance of premises and equipment	108	99
Cleaning	12	10
Rent and rates	7	59
Energy costs	55	75
Insurance	45	52
Legal and professional	49	24
Other support costs	130	143
Bank charges and interest	56	39
	<u>1,177</u>	<u>1,128</u>
	<u><u>4,559</u></u>	<u><u>4,418</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. GOVERNANCE COSTS

	Total funds 2015 £000	Total funds 2014 £000
Governance costs	1	1
Auditors' remuneration	12	8
	<u>13</u>	<u>9</u>

9. TOTAL RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£000	2015	2015	£000	£000
		£000	£000		
Costs of generating voluntary income	119	14	141	274	255
Costs of generating funds	<u>119</u>	<u>14</u>	<u>141</u>	<u>274</u>	<u>255</u>
Educational operations	2,699	401	282	3,382	3,290
Support costs	697	168	312	1,177	1,128
Charitable activities	<u>3,396</u>	<u>569</u>	<u>594</u>	<u>4,559</u>	<u>4,418</u>
Governance	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>	<u>9</u>
	<u><u>3,515</u></u>	<u><u>583</u></u>	<u><u>748</u></u>	<u><u>4,846</u></u>	<u><u>4,682</u></u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the charity	442	430
Auditor's remuneration for audit services	12	8
Internal audit costs	1	1
Operating lease rentals:		
- other operating leases	6	1
	<u>461</u>	<u>440</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	2,808	2,681
Social security costs	195	187
Other pension costs	472	404
	<u>3,475</u>	<u>3,272</u>
Supply teacher costs	11	39
FRS 17 pension costs	29	31
	<u>3,515</u>	<u>3,342</u>

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:

	2015	2014
	No.	No.
Teaching	40	39
Administration and support	46	46
Management	7	7
	<u>93</u>	<u>92</u>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
	<u>1</u>	<u>1</u>

The above employees contribute to the Teachers Pension Scheme. The annualised contributions for the employees were £9,498 to Teachers Pension Scheme, £5 to the LGPS scheme (2014 - £9,109) and £12,735 (2014 - £12,305) respectively.

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NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015	2014
	£000	£000
Chris Southall (Principal)	90-95	85-90
Chris Southall Pension	10-15	10-15
Yvonne Doors	10-15	10-15
Yvonne Doors Pension	0-5	0-5
Edel Hawthorne	25-30	20-25
Edel Hawthorne Pension	0-5	0-5

During the year, one Trustee received reimbursement of expenses of £50 (2014 - £50).

Other related party transactions involving Trustees are set out in note 26.

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 £10,000,000 on any one claim and the cost for the year ended 31 August 2015 was £131 (2014 - £131). The cost of this insurance is included in the total insurance cost.

14. PENSION FINANCE COST

	2015	2014
	£000	£000
Expected return on pension scheme assets	61	52
Interest on pension scheme liabilities	(90)	(83)
	<u>(29)</u>	<u>(31)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £000	Leasehold property improvements £000	Fixtures and fittings £000	Computer equipment £000
Cost				
At 1 September 2014	18,816	20	54	110
Additions	-	21	51	65
At 31 August 2015	<u>18,816</u>	<u>41</u>	<u>105</u>	<u>175</u>
Depreciation				
At 1 September 2014	767	-	17	47
Charge for the year	387	1	13	41
At 31 August 2015	<u>1,154</u>	<u>1</u>	<u>30</u>	<u>88</u>
Net book value				
At 31 August 2015	<u>17,662</u>	<u>40</u>	<u>75</u>	<u>87</u>
At 31 August 2014	<u>18,049</u>	<u>20</u>	<u>37</u>	<u>63</u>
				Total
				£000
Cost				
At 1 September 2014				19,000
Additions				137
At 31 August 2015				<u>19,137</u>
Depreciation				
At 1 September 2014				831
Charge for the year				442
At 31 August 2015				<u>1,273</u>
Net book value				
At 31 August 2015				<u>17,864</u>
At 31 August 2014				<u>18,169</u>

Included in long leasehold land and buildings is land at a valuation of £1,275,000 (2014 - £1,275,000) which is not depreciated.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. STOCKS

	2015 £000	2014 £000
Catering stock and supplies	6	8

17. DEBTORS

	2015 £000	2014 £000
Trade debtors	-	1
VAT recoverable	-	40
Prepayments and accrued income	79	99
	<u>79</u>	<u>140</u>

18. CREDITORS:
Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	14	30
VAT	9	-
Taxation and social security	59	52
Other creditors	1	53
Accruals and deferred income	133	131
	<u>216</u>	<u>266</u>

Deferred income

	£000
Deferred income at 1 September 2014	74
Resources deferred during the year	49
Amounts released from previous years	(74)
Deferred income at 31 August 2015	<u>49</u>

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

BROCKINGTON COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
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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	422	343	(249)	(119)	-	397
Restricted funds						
General Annual Grant (GAG)	255	3,490	(3,624)	-	-	121
Other DfE/EFA grants	-	45	(45)	-	-	-
Pupil premium	16	153	(145)	-	-	24
Other grants	-	52	(52)	-	-	-
Other income	-	212	(212)	-	-	-
Pension reserve	(1,312)	-	(77)	-	(41)	(1,430)
	(1,041)	3,952	(4,155)	-	(41)	(1,285)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	18,169	18	(442)	119	-	17,864
Total restricted funds	17,128	3,970	(4,597)	119	(41)	16,579
Total of funds	17,550	4,313	(4,846)	-	(41)	16,976

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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 2015.

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 grants

These funds include High Needs Funding from the Local Authority, pupil premium for looked after children and funding from the Department for Work and Pensions.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations. Transfers of £119,000 from unrestricted funds to the restricted fixed asset fund represents contributions towards the fixed asset additions during the year.

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.

Restricted Fixed asset funds

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy Trust from the Local Authority following the transfer of assets. It includes further amounts invested in fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	17,864	17,864	18,169
Current assets	397	361	-	758	959
Creditors due within one year	-	(216)	-	(216)	(266)
Provisions for liabilities and charges	-	(1,430)	-	(1,430)	(1,312)
	<u>397</u>	<u>(1,285)</u>	<u>17,864</u>	<u>16,976</u>	<u>17,550</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Net incoming resources	(533)	(225)
Returns on investments and servicing of finance	(7)	(4)
Depreciation of tangible fixed assets	442	430
Capital grants from DfE	(18)	-
Decrease/(increase) in stocks	2	(2)
Decrease/(increase) in debtors	61	(21)
(Decrease)/increase in creditors	(50)	35
FRS 17 pension cost less contributions payable	48	19
FRS 17 pension finance cost (note 14)	29	31
Net cash (outflow)/inflow from operations	<u>(26)</u>	<u>263</u>

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

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	7	4
	<u>7</u>	<u>4</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(137)	(39)
Capital grants from DfE	18	-
Net cash outflow capital expenditure	<u>(119)</u>	<u>(39)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £000	Cash flow £000	31 August 2015 £000
Cash at bank and in hand:	811	(138)	673
Net funds	811	(138)	673

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 multi-employer 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £nil were payable to the scheme at 31 August 2015 (2014 - £51,466) 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £249,000 (2014 - £240,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy 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.

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 2015 was £227,000, of which employer's contributions totalled £175,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are 21.7% for employers and between 5.5% - 12.5% 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.

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	3.70	820	6.30	712
Bonds	3.70	261	3.30	173
Property	3.70	137	4.50	102
Cash	3.70	25	3.30	31
Total market value of assets		<u>1,243</u>		<u>1,018</u>
Present value of scheme liabilities		<u>(2,673)</u>		<u>(2,330)</u>
Deficit in the scheme		<u><u>(1,430)</u></u>		<u><u>(1,312)</u></u>

The expected rates of return are set equal to the discount rate.

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(2,673)	(2,330)
Fair value of scheme assets	<u>1,243</u>	<u>1,018</u>
Net liability	<u><u>(1,430)</u></u>	<u><u>(1,312)</u></u>

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

	2015 £000	2014 £000
Interest on obligation	(90)	(83)
Expected return on scheme assets	61	52
Current service cost	<u>(223)</u>	<u>(164)</u>
Total	<u><u>(252)</u></u>	<u><u>(195)</u></u>
Actual return on scheme assets	<u><u>44</u></u>	<u><u>110</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

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

	2015	2014
	£000	£000
Opening defined benefit obligation	2,330	1,722
Interest cost	90	83
Contributions by scheme participants	52	44
Actuarial losses	24	350
Current service costs	223	164
Benefits paid	(46)	(33)
	<hr/>	<hr/>
Closing defined benefit obligation	2,673	2,330
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	2014
	£000	£000
Opening fair value of scheme assets	1,018	841
Expected return on assets	61	52
Actuarial losses	(17)	(31)
Contributions by employer	175	145
Contributions by employees	52	44
Benefits paid	(46)	(33)
	<hr/>	<hr/>
	1,243	1,018
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £407,000 loss (2014 - £366,000 loss).

The Academy expects to contribute £201,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015	2014
Equities	66.00 %	70.00 %
Bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.80 %

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

Sensitivity analysis:

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2015:

	Approximate percentage increase to Employer Liability (%)	Approximate monetary amount (000)
0.5% decrease in Real Discount Rate	13.00 %	339
1 year increase in member life expectancy	3.00 %	80
0.5% increase in the Salary Increase Rate	6.00 %	164
0.5% increase in the Pension Increase Rate	6.00 %	164

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

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000
Defined benefit obligation	(2,673)	(2,330)	(1,722)
Scheme assets	1,243	1,018	841
Deficit	<u>(1,430)</u>	<u>(1,312)</u>	<u>(881)</u>
Experience adjustments on scheme liabilities	(24)	(350)	(35)
Experience adjustments on scheme assets	<u>(17)</u>	<u>(31)</u>	<u>50</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015	Other
	2015	2014		
	£000	£000	£000	£000
Expiry date:				
Between 2 and 5 years	-	-	<u>6</u>	<u>4</u>

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 share capital.

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.

