

**Biggleswade Academy Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31<sup>st</sup> August 2012**

THURSDAY



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COMPANIES HOUSE

Company Registration Number  
7928028 (England and Wales)

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## Reference and administrative details

### Governors (Directors)

Mr G Waghorn (Chair) \*  
Mr J Dilley \*  
Ms M Dale \*  
Ms J Woolhouse \*  
Mr A Masson \*  
Mrs E Wyatt \*  
Mrs J Ball  
Mr T Woodward  
Mr Davis  
Mr R Eveleigh

\* = Members

### Company Secretary

Mrs B Hooper

### Senior Management Team

-Principal  
-Vice Principal  
-Vice Principal  
-Assistant Principal  
-Assistant Principal  
-Business Manager

Mr S C Phillips  
Mrs C McGuckian  
Mr C Greenhall  
Mr M Davis  
Mr S Pointing  
Mrs B Hooper

### Registered Office

Holmemead Middle School  
Mead End,  
Biggleswade,  
Bedfordshire, SG18 8JU  
Tel 01767 318123

### Company registration Number

7928028 (England & Wales)

### Auditors

Duncan & Toplis,  
Chartered Accountants & Business Advisors  
15 Chequergate,  
Louth  
Lincs LN11 0LJ

### Bankers

Lloyds TSB Bank PLC  
Biggleswade (309079) Branch,  
PO Box 1000  
BX1 1LT

### Solicitors

Ward Hadaway Solicitors  
1A Tower Square,  
Wellington Street,  
Leeds LS1 4DL

## **Governors' Report**

The governors present their annual report together with the audited financial statements of the academy for the year ended 31 August 2012

### **Structure, Governance and Management**

#### Constitution

The academy 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.

The governors act as the trustees for the charitable activities of Biggleswade Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Biggleswade Academy Trust.

Details of the governors who served throughout the year are included in the Reference and Administration Details on page 1.

#### Incorporation

The company incorporated on 30 January 2012 and opened as an Academy on the 1 March 2012.

#### Members Liability

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

#### Governors' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000.00 on any one claim and the cost for the year ended 31 August 2012 was £1,341. The cost of this insurance is included in the total insurance cost.

#### Principal Activities

The principal object and activity of the company is the operation of Biggleswade Academy Trust – Holmemead Middle School

" to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum "

#### Method of Recruiting and Appointment or Election of Governors

- **Members**

Members of the Company comprise of the signatories to the Memorandum of Association and the Chair of the Directors. The members may agree unanimously in writing to appoint additional members as they see fit. They may also unanimously in writing agree to remove any such additional members.

Any member may resign provided that after such resignation the number of Members is not less than three.

- **Directors**

All Members of the Company are currently also Directors of the Multi Academy Trust.

All Directors have a term of office of 4 years. If they remain eligible under their Director heading they may be re-appointed or re-elected.

Members may appoint up to 7 Directors and can appoint Staff Directors through any such process as they may determine provided that the total number of Directors who are employees does not exceed one third of the total number of Directors

Biggleswade Academy Trust is currently the only Academy under the Multi Academy Trust. In the event of more Academies joining there must be a minimum of 2 Parent Directors for every 10 or fewer Academies and they would be elected by the Parent members of the individual governing bodies as per their terms of reference. Any elected Parent Director must be a parent of a registered pupil at one of the Academies, or where it is not reasonable to do so, a person who is the parent to a child of compulsory school age, at the time (s)he is elected.

The Directors may appoint up to 3 Co-opted Directors but should not co-opt an employee of the Company if it would mean the total number of Directors who are employees would exceed a third. A Co-opted Director may not themselves appoint further Co-opted Directors.

#### Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Trustees and other Governors (directors) will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Directors will be offered a tour of the academy and the chance to meet staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

#### Organisational Structure

The Academy is constituted under its Articles of Association. Members of the Governing Body and Senior Leadership Team are detailed on page 1 of this report.

The Governors make the key decisions for and determine the general policies of the Academy and meet at least four times a year as a full board and receive reports from the sub-committees. There are two sub-committees that support the Board, Finance and General Purposes and Standards and Performance, both of which meet a minimum of 3 times a year (additional meetings if required).

The academy has defined the responsibilities of each person involved in the administration of academy finance to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below.

#### The Governing Body

The Governing Body has overall responsibility for the administration of the academy's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement dated 1<sup>st</sup> March 2012 with the Secretary of State for Education.

#### The Finance & General Purposes Committee (F&GP)

The F&GP is a committee of the governing Body. The F&GP meets at least once a term – more frequently if key dates or important business requires it. The main responsibilities of the F&GP are detailed in written terms of reference which have been authorised by the Governing Body.

#### The Principal

The Principal is the Accounting Officer. Within the framework of the Academy Improvement Plan (AIP) as approved by the Governing Body, the Principal has overall executive responsibility for the Academy's activities including financial activities.

#### The Academy Business Manager

The Academy Business Manager works in close collaboration with the Principal through whom she is responsible to the governors. The Academy Business Manager also has direct access to the governors via the F&GP.

### Risk Management

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The Trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety, bullying and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision and security of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that adequate insurance cover exists.

The academy has an effective system of internal financial controls.

### Connected Organisations, including Related Party Relationships

The school has a formal arrangement with Southlands Lower School where the Academy Principal is currently Executive Head teacher, pending the Lower School's conversion to Academy which is anticipated to be 1<sup>st</sup> December 2012. On conversion Southlands will join the Multi Academy Trust which will formalise the current joint working relationships across both sites.

Across the town of Biggleswade there are 13 education establishments that form the Biggleswade Community Union of Schools (BCUS). All members of BCUS are committed to working closely together in order to ensure the best provision possible for all pupils within the town and surrounding villages of Biggleswade.

## **Objectives and Activities**

### Objects and Aims

The principal object and activity of the charitable company is the operation of the Biggleswade Academy Trust.

"to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum."

### Objectives, Strategies and Activities

Within the School Improvement Plan (SIP) for the academic year to 31<sup>st</sup> August 2012 the key areas identified by Ofsted and validated by our own self evaluation were to

- 1 To strengthen the quality of teaching, particularly in Key Stage 2
- 2 To raise standards in core subjects in Year 6, and progress across Key Stage 2
- 3 To ensure complete consistency in all aspects of classroom expectation and practice through a rigorous process of monitoring, evaluation and review

Through strong monitoring and evaluation practice across the year it was evident that the necessary actions were being undertaken and the focus was on outcomes and impact, rather than input.

The main objectives of the Academy during the six months since conversion ending 31 August 2012, in line with the SIP, are summarised below.

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,

- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to maintain close links with other local schools and the Community,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

The Academy's main strategy is encompassed in its mission statement which is

**"Learning to reach our potential together"**

**Through out commitment to:**

- **High standards in everything we do**
- **Responsibility**
- **Fairness for all**
- **Courage**

To this end the activities provided include

- classroom, extra curricular and out of school learning opportunities for all pupils,
- high quality CPD opportunities for all staff,
- raising the quality of teaching, learning and pupil achievement,
- supporting the work of Southlands Lower School following an unsuccessful Ofsted visit, through the provision of a number of high quality seconded staff,
- consulting with stakeholders about the future direction of the Academy and the Multi Academy Trust

#### Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the charity Commission's general guidance on public benefit, "*Charities and Public Benefit*"

The academy's public benefit is enshrined in its charitable objectives, which state

" to promote for the benefit of the inhabitants of Biggleswade and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants "

#### **Achievements and Performance**

The Academy is currently in its first year of operation

Total pupils for the Academic year 2011-12 numbered 465, but have risen for next year's intake to 510 due to our largest ever intake in Y5

Outcome for pupils in Y8 (the Academy's final year group) are pleasing as they continue to compare favourably with National Y9 figures and therefore remain above national expectation Progress across years 5 & 6 (the half of KS2 progression the Academy is responsible for) rose in English but dropped in Maths, whilst attainment was in line with National expectations in English, but below in Maths This was extremely disappointing given the investments made in staffing and resources during the past year

#### Going Concern

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

## **Financial Review**

### Financial and Risk Management Objectives and Policies

The academy came into being on 1<sup>st</sup> March 2012, six months into the reporting year, and is still in the process of embedding a full system of internal control including risk management. The governing body has given careful consideration to the systems that were in place on conversion and others that have been put in place since, and how these have evolved over the reporting period.

The Academies Financial Management and Governance Evaluation (FMGE) Full Return was completed and the overall assessment was put as Satisfactory, which was accepted by the EFA. A Financial Improvement Plan has been put together to address all areas that were highlighted as needing addressing within the return. This will be monitored and reviewed across the year and updated for changes as necessary.

The Governing Body is in the process of undertaking a comprehensive review of the risks to which the academy is exposed. It is looking at systems and procedures to identify specific preventable actions to mitigate any potential negative impact on the academy.

A Risk Management Committee is to be set up in the new academic year and a Risk Management Action Plan will be drawn up and the internal controls for managing risks deemed as medium and high will be incorporated into this. A thorough appraisal will be undertaken of existing risks and any emerging risks, for example those arising from changes to national funding policy and/or local circumstances. The Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken at the academy. A Risk Register, covering low, medium and high level risks, is in the process of being set up. On completion it will identify the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to mitigate the risks. A consistent scoring system is being used to prioritise risks as low, medium and high. The academy will support the issue of risk management by ensuring there is a management training programme to raise the awareness of risk throughout the academy, ensuring that risk management is incorporated within self assessment reports and quality improvements plans.

### Principal Risks and Uncertainties

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

#### **1 Government funding**

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements,
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies,
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding,
- Contingency planning embedded into the academy budget process.

#### **2 Maintain adequate funding of pension liabilities**

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 17.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.



### 3 Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by

- ensuring the academy delivers high quality learning and teaching,
- maintaining outstanding success rates and good inspection outcomes, and
- continuing to invest in its teaching staff and resources

With ongoing commitment to quality, the academy now provides a market-leading learning environment which places the academy in an excellent position to attract new pupils

#### Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated

The Trustees review the reserve levels of the academy annually This review encompasses the nature of income and expenditure streams

#### Financial report for the year

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown in the statement of financial activities

During the period ended 31 August 2012, total expenditure was £1,350,193 which shows a carry forward of £4,387,493 of income in excess of expenditure

At 31 August 2012, the net book value of fixed assets was £4,686,765 The assets were used exclusively for providing education and the associated support services to the students of the Academy

#### Funds in deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £413,000 However, the deficit does not mean that an immediate liability for this amount crystallises The contribution rate to reduce the liability is calculated by an independent actuary

#### Investment Policy

The Academy does not hold any investments, and as such a policy is not required

#### Plans for Future Periods

Biggleswade Academy Trust is a Multi Academy Trust with currently only one academy (Holmemead Middle School) as a member

There are plans for one of the feeder lower schools, Southlands Lower School, to join the Multi Academy Trust on its' academy conversion date which is anticipated to be 1<sup>st</sup> January 2013 There will then follow a consultation process on the following

- To merge the two academies
- To change the age range to 2 to 13

Once the consultation is complete, and on approval by the DfE, the plan is to have one academy that provides education and care for pupils aged 2 to 13

Funds held as Custodian Trustee on behalf of others

The Academy does not hold such funds

Statement of disclosure to auditors

In so far as the governors are aware

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

Approved by order of the members of the Biggleswade Academy Trust on 6 December 2012 and signed on its behalf by



Gary Waghorn  
Chair

## Governance Statement

### Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, Stephen Phillips, 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 Biggleswade Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and Statement of Governors' Responsibilities. The Full Governing Body has formally met 4 times since the date of conversion, 1<sup>st</sup> March 2012. Finance and General Purposes met once to the period 31<sup>st</sup> August and Standards & Performance twice during the same period. Attendance during this period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Gary Waghorn	5	5
Andrew Masson	4	5
Tim Woodward	6	6
John Dilley	6	6
Esme Wyatt	6	6
Magali Dale	1	5
June Woolhouse	5	6
Julie Bull	4	5
Russell Eveleigh	5	5
Michael Davis	6	6

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's 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 Biggleswade Academy Trust for the period since conversion to 31<sup>st</sup> August 2012 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

Whilst the Governing Body is in the process of undertaking a comprehensive review of the risks to which the academy is exposed it has already looked at what systems and procedures are in place to identify specific preventable actions to mitigate any potential negative impact on the academy. The Governing body is of the view that there needs to be a formal on-going process for identifying, evaluating and managing the Multi Academy Trust's significant risks and, whilst this has been partly in place for the period since conversion on 1<sup>st</sup> March to 31<sup>st</sup> August 2012, it has continued to be embedded up to the date of approval of the annual report and financial statements. The process, once fully in place, will be regularly reviewed by the Governing Body.

## The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Duncan and Topliss, Accountants, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems.

On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

## Review of Effectiveness

As Accounting Officer the Principal, Stephen Phillips, has responsibility for reviewing the effectiveness of the system of internal control. During the period since conversion on 31<sup>st</sup> March until 31<sup>st</sup> August 2012 the review has been informed by

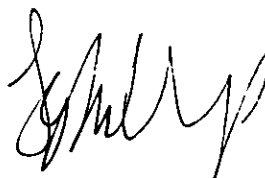
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the Governing Body on 6 December 2012 and signed on its behalf by



Mr G Waghorn  
Chair of the Governing Body



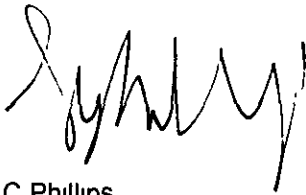
Mr S C Phillips  
Accounting Officer

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Biggleswade Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA Terms and Conditions of Funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr S C Phillips  
Accounting Officer

## Statement on Trustees Responsibilities

The trustees are responsible for preparing the Governors' Report and the Financial Statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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 academy will continue in operation

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

The trustees are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended

In so far as the trustees are aware

- there is no relevant audit information of which the academy'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

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

Approved by order of the members of the Governing Body on 6 December 2012 and signed on its behalf by



Mr G Waghorn  
Chair of the Governing Body

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BIGGLESWADE ACADEMY TRUST**

We have audited the financial statements of Biggleswade Academy Trust for the period ended 31 August 2012 on pages sixteen to thirty seven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and the Annual Accounts Direction 11/12 issued by the Education Funding Agency.

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

### **Respective responsibilities of trustees and auditors**

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

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 charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. 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 charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Annual Accounts Direction 11/12 issued by the Education Funding Agency.

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

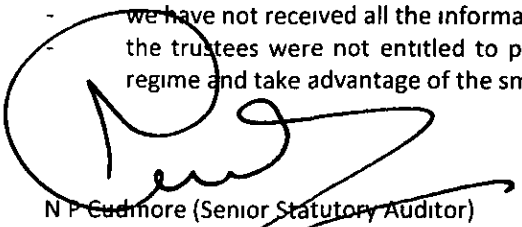
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BIGGLESWADE ACADEMY TRUST**

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

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

- adequate 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, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees



N P Cudmore (Senior Statutory Auditor)  
for and on behalf of Duncan & Toplis  
Chartered Accountants and  
Statutory Auditors  
15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

Date

6<sup>th</sup> December 2012



**BIGGLESWADE ACADEMY TRUST**

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF BIGGLESWADE ACADEMY TRUST**

In accordance with the terms of our engagement letter dated 20 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Biggleswade Academy Trust during the period 1 March 2012 to 31 August 2012 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 Biggleswade Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Biggleswade Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Biggleswade Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Retrospective responsibilities of Biggleswade Academy trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Biggleswade Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2011 and the Academies Financial Handbook as published by DfE in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2012 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

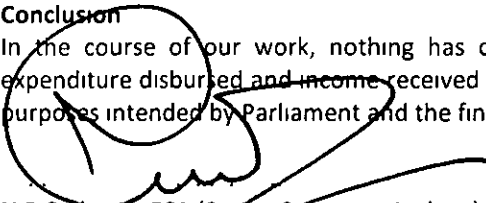
We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

**Conclusion**

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

  
N P Cudmore FCA (Senior Statutory Auditor)  
For and on behalf of Duncan & Toplis  
Chartered Accountants and  
Statutory Auditors  
15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

Date

6<sup>th</sup> December 2012

**BIGGLESWADE ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

	Notes	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	3	-	12,498	-	12,498
Transfers from predecessor school	3	56,179	(381,000)	4,696,417	4,371,596
Activities for generating funds	4	93,816	83,061	-	176,877
Investment income	5	126	-	-	126
<b>Incoming resources from charitable activities</b>					
Funding for the Academy's educational operations	6	-	1,176,589	-	1,176,589
<b>Total incoming resources</b>		<b>150,121</b>	<b>891,148</b>	<b>4,696,417</b>	<b>5,737,686</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Funding for the Academy's educational operations	7	96,787	1,170,123	41,573	1,308,483
Governance costs	10	-	41,710	-	41,710
<b>Total resources expended</b>		<b>96,787</b>	<b>1,211,833</b>	<b>41,573</b>	<b>1,350,193</b>
<b>NET INCOME/(EXPENDITURE) FOR THE PERIOD</b>					
<b>before transfers</b>		<b>53,334</b>	<b>(320,685)</b>	<b>4,654,844</b>	<b>4,387,493</b>
Gross transfers between funds	20	(21,585)	(10,336)	31,921	-
<b>Net income/(expenditure) for the period before other recognised gains and losses</b>		<b>31,749</b>	<b>(331,021)</b>	<b>4,686,765</b>	<b>4,387,493</b>
Actuarial gains/losses on defined benefit schemes		-	(24,000)	-	(24,000)
<b>Net movement in funds</b>		<b>31,749</b>	<b>(355,021)</b>	<b>4,686,765</b>	<b>4,363,493</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>31,749</b>	<b>(355,021)</b>	<b>4,686,765</b>	<b>4,363,493</b>

**Continuing operations**

All incoming resources and resources expended arise from continuing activities

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activity

The notes form part of these financial statements

**BIGGLESWADE ACADEMY TRUST**

**BALANCE SHEET**

AT 31 AUGUST 2012 07928028

	Notes	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	15	-	-	4,686,765	4,686,765
<b>CURRENT ASSETS</b>					
Debtors amounts falling due within one year	16	-	97,486	-	97,486
Cash at bank and in hand		<u>31,749</u>	<u>87,956</u>	-	<u>119,705</u>
		31,749	185,442	-	217,191
<b>CREDITORS</b>					
Amounts falling due within one year	17	-	(127,463)	-	(127,463)
		<u>31,749</u>	<u>57,979</u>	-	<u>89,728</u>
<b>NET CURRENT ASSETS</b>					
		31,749	57,979	4,686,765	4,776,493
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
PENSION LIABILITY	19	-	(413,000)	-	(413,000)
		<u>31,749</u>	<u>(355,021)</u>	<u>4,686,765</u>	<u>4,363,493</u>
<b>NET ASSETS/(LIABILITIES)</b>					
<b>FUNDS</b>					
	20				
Unrestricted funds					31,749
Restricted funds					57,979
Restricted pension fund					(413,000)
Restricted fixed asset funds					<u>4,686,765</u>
<b>TOTAL FUNDS</b>					
					<u>4,363,493</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 6 December 2012 and were signed on its behalf by

  
Trustee

The notes form part of these financial statements

**BIGGLESWADE ACADEMY TRUST**

**CASH FLOW STATEMENT  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

	Notes	£
Net cash inflow from operating activities	1	151,500
Returns on investments and servicing of finance	2	126
Capital expenditure and financial investment	2	(31,921)
		<hr/>
Increase in cash in the period		<u>119,705</u>

---

**Reconciliation of net cash flow to movement in net debt**

	3	
Increase in cash in the period		<u>119,705</u>
Change in net debt resulting from cash flows		<u>119,705</u>
Movement in net debt in the period		119,705
Net debt at 30 January		<hr/>
Net debt at 31 August		<u>119,705</u>

The notes form part of these financial statements

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**1 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	£
Net incoming resources	4,387,493
Depreciation charges	41,573
Interest received	(126)
Land and Buildings on conversion	(4,696,417)
FRS17 transferred on conversion	381,000
Movement on FRS17 liability in the year	8,000
Increase in debtors	(97,486)
Increase in creditors	<u>127,463</u>
<b>Net cash inflow from operating activities</b>	<u><u>151,500</u></u>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	£
<b>Returns on investments and servicing of finance</b>	
Interest received	<u>126</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><u>126</u></u>
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	<u>(31,921)</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(31,921)</u></u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 30/1/12 £	Cash flow £	At 31/8/12 £
Net cash			
Cash at bank and in hand	-	119,705	119,705
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u><u>-</u></u>	<u><u>119,705</u></u>	<u><u>119,705</u></u>

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**1 GENERAL ANNUAL GRANT**

	<b>2012</b>
	<b>£</b>
<b>a Results and carry forward for the year</b>	
GAG brought forward from previous year	-
GAG allocation for current period	<u>1,078,421</u>
<b>Total GAG available to spend</b>	<b>1,078,421</b>
Recurrent expenditure from GAG	1,043,470
Capital expenditure from GAG	<u>3,998</u>
<b>GAG carried forward to next year</b>	<b>30,953</b>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current year)	<u>129,488</u>
GAG to surrender to DfE	<u><u>-</u></u>

**2 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The standard format for the financial statements as required by the Companies Act 2006 schedule 4 part 1 has been adapted to provide more appropriate information which complies with the Statement Of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005) and reflects the activities of the Academy

**Accounting convention**

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

**2. ACCOUNTING POLICIES - continued**

**Incoming resources**

**Grants receivable**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

**Donations**

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

**School fund**

The Academy runs a school fund which relates to income and expenditure for school trips. These funds are kept in a separate bank account and the transactions are not included within these financial statements.

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy is recognised in the statement of financial activities at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material. Where the actual cost of the donated service or gift in kind can be ascertained, this is used as the value in the financial statements.

**Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis where the amount can be quantified with reasonable accuracy.

**Lettings income**

The Academy receives income from letting its facilities to other organisations. This is accounted for on a receivable basis.

**Other income**

Other income is accounted for on a receivable basis.

**Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Governance costs**

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs. The trustees are unable to quantify the value of management time spent in dealing with this area and therefore, no such costs have been allocated to governance costs.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Leasehold property	-2% straight line
Plant and machinery	- 20% straight line
Computer equipment	- 33% straight line

Tangible fixed assets acquired are included in the accounts at cost

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

Assets costing less than £1,000 are written off in the year of acquisition.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

**Taxation**

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

**Fund accounting**

Unrestricted funds can be used in accordance with the Academy's objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Academy. Restrictions arise when specified by the DfE and other donors or when funds are raised for particular restricted purposes.

**Restricted fixed asset fund**

In accordance with the DfE guidelines where funding has been used to acquire tangible fixed assets the cost of the assets have been transferred to a restricted fixed asset fund, as detailed in the notes to the accounts.

**Leased assets**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.



**2 ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

Academy staffs are members of one of two pension schemes, both of which are defined benefit schemes, more details of the schemes are given in the notes to the accounts

**Teachers' Pension Scheme**

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS) The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme The pension costs for the scheme represent the contributions payable by the Academy in the year

**Local Government Pension Scheme**

Non-teaching members of staff are offered membership of the Local Government Scheme (LGPS) The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of pension assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed The Academy's share of the LGPS assets are measured at bid value at each balance sheet date Liabilities are measured on an actuarial basis using the projected unit method The net of these two figures is recognised as an asset or liability on the balance sheet Any movement in the asset or liability between balance sheet dates is reflected in the Statement of Financial Activities

**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

**Conversion to an Academy**

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

The assets and liabilities transferred on conversion from Holmemead Middle School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item Their fair value is in accordance with the accounting policies set out for Biggleswade Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds

Land and buildings are leased from the local authority on a peppercorn rent for 125 years with effect from 1 March 2012

The value of these land and buildings have been included in these accounts as per note 26 and depreciated over the life of the lease

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**3 VOLUNTARY INCOME**

	£
Donations and transfer from predecessor school	<u>4,384,094</u>

Included in donations is £4,371,596 which relates to the transfer of assets and liabilities from the predecessor school

**4 ACTIVITIES FOR GENERATING FUNDS**

	£
Hire of facilities	23,796
Catering income	50,239
Other income	19,781
School trips	45,921
Sponsorships	<u>37,140</u>
	<u>176,877</u>

**5. INVESTMENT INCOME**

	£
Deposit account interest	<u>126</u>

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Activity</b>	£
Grants	Funding for the Academy's educational operations	<u>1,176,589</u>

Grants received, included in the above, are as follows

	£
General Annual Grant (GAG)	1,078,421
Start up grant	25,000
Devolved capital	12,168
Pupil premium	11,100
One to one funding	46,900
Other grants	<u>3,000</u>
	<u>1,176,589</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Funding for the Academy's educational operations	<u>926,619</u>	<u>381,864</u>	<u>1,308,483</u>

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	£
Staff costs	802,391
Books, apparatus and stationery	18,327
Other direct costs	7,678
Staff development	2,462
Student uniform	12,494
School trips	41,694
Depreciation	41,573
	<u>926,619</u>

**9. SUPPORT COSTS**

	£
Funding for the Academy's educational operations	<u>381,864</u>

All support costs were judged to be in support of the academy's educational operations

Support costs, included in the above, are as follows

	Funding for the Academy's educational operations £
Staff costs	189,264
Other operating leases	2,398
Rates and water	22,733
Insurance	33,908
Light and heat	20,697
Telephone	1,618
Postage and stationery	3,389
Sundries	1,602
Subscriptions	2,203
Maintenance of premises and equipment	48,360
Cleaning	798
Security	3,654
Technology costs	13,414
Catering	22,236
Other support costs	4,192
Marketing	3,100
School bus costs	298
Expected return on pension scheme assets	(13,000)
Interest on pension scheme liabilities	<u>21,000</u>
	<u>381,864</u>

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**10 GOVERNANCE COSTS**

	£
Personnel costs	11,289
Legal and Professional fees	23,696
Auditors' remuneration	<u>6,725</u>
	<u>41,710</u>

**11. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting)

	£
Auditors' remuneration	6,725
Depreciation - owned assets	41,573
Other operating leases	<u>2,398</u>

**12 TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the period ended 31 August 2012

**Trustees' Expenses**

There were no trustees' expenses paid in the period

**13 STAFF COSTS**

	£
Wages and salaries	822,772
Social security costs	55,448
Other pension costs	<u>113,435</u>
	<u>991,655</u>

The average monthly number of employees during the period expressed as a full time equivalent was as follows

	<b>2012</b>
Teachers	30
Administration and support staff	<u>30</u>
	<u>60</u>

No employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2012

At 1 March 2012 all staff from the predecessor school transferred to the Academy. A pension deficit was transferred at the same time in respect of non-teaching staff. Further details are in note 26 of the accounts.

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**14 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,341.

**15 TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
Additions	<u>4,696,417</u>	<u>31,921</u>	<u>4,728,338</u>
<b>DEPRECIATION</b>			
Charge for period	<u>38,817</u>	<u>2,756</u>	<u>41,573</u>
<b>NET BOOK VALUE</b>			
At 31 August 2012	<u>4,657,600</u>	<u>29,165</u>	<u>4,686,765</u>

All of the tangible fixed assets are used for educational purposes.

Included in land and buildings is £814,726 which is not depreciated.

**16 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

Trade debtors	£ 61,541
VAT	<u>35,945</u>
	<u>97,486</u>

**17. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

Trade creditors	£ 35,473
Social security and other taxes	35,804
Other creditors	30,246
Accruals and deferred income	<u>25,940</u>
	<u>127,463</u>

**Deferred income**

	<b>2012</b>
	£
Deferred income brought forward	-
Resources deferred in the period	21,940
Amounts released from previous years	<u>-</u>
Deferred income at 31 August 2012	<u>21,940</u>

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**18. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	£
Expiring Between one and five years	<u>5,808</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**19 PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Authority,

The total pension cost to the Academy during the year ended 31 August 2012 was £113,435 of which £74,223 relates to the TPS and £39,212 relates to LGPS

**Teachers Pension Scheme (TPS)**

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

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

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

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

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

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

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

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**19 PENSION COMMITMENTS (continued)**

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

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

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

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2012 was £74,223 which were the contributions due for the period. No amounts were outstanding at the period end.

**Local Government Pension Scheme**

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2012 was £49,953 of which employer's contributions totalled £39,212 and employees' contributions totalled £10,740. No amounts were outstanding at the period end.

The agreed contribution rates for the year ended 31 August 2012 were 19.7% for employers, employees' rates varied according to salary.

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2012 by a qualified independent actuary. The major assumptions used by the actuary were:

	<b>At 31 August 2012</b>
Rate of increase in salaries	4.5%
Rate of increase in pensions	2.2%
Discount rate for liabilities	4.1%
Inflation	4.4%



NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012

## 19 PENSION COMMITMENTS - (continued)

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

	Long-term rate of return expected at 31 August 2012	Value at 31 August 2012 £'000
Equities	5.5%	284
Bonds	3.5%	93
Property	3.7%	49
Cash	2.8%	<u>120</u>
<b>Total fair value of assets</b>		546
Present value of scheme liabilities		<u>(959)</u>
<b>Net pension liability</b>		<u><u>(413)</u></u>

None of the fair values shown above include any of the Academy's own financial instruments, or any property occupied by, or other assets used by the Academy

The actual return on pension scheme assets in the period was £nil

**Analysis of amount chargeable to the Statement of Financial Activities**

	2012 £,000
Current service cost	39
Interest cost	21
Expected return on assets	<u>(13)</u>
<b>Total expenditure to be recognised in the SOFA</b>	<u><u>47</u></u>

**Amount recognised in the statement of total recognised gains and losses (STRGL)**

	2012 £'000
Actuarial gains/(losses) on pension scheme assets	(12)
Actuarial gains/(losses) on the scheme liabilities	<u>(12)</u>
<b>Actuarial (loss) gain recognised in STRGL</b>	<u><u>(24)</u></u>

**Contributions**

The total contributions made by the employer during the period were £39,000

The best estimate for contributions to be paid for the year ended 31 August 2013 is £133,000

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**19. PENSION COMMITMENTS - (continued)**

**Movement in deficit during the period**

	2012 £'000
Deficit in the scheme at 1 March	(381)
<b>Movement in period</b>	
Current service cost	(39)
Employer contributions	39
Interest costs	(21)
Expected return on assets	13
Actuarial gains/(losses)	<u>(24)</u>
Deficit in the scheme at 31 August 2012	<u><u>(413)</u></u>

**Reconciliation of opening and closing balances of the present value of the Academy's share of the scheme assets and liabilities.**

	2012 £'000
Scheme liabilities at 1 March	876
Current service cost	39
Interest cost	21
Contributions by members	11
Actuarial losses/(gains)	<u>12</u>
Scheme liabilities at 31 August 2012	<u><u>959</u></u>

	2012 £'000
Scheme assets at 1 March	495
Expected return on assets	13
Contributions by members	11
Contributions by employer	39
Actuarial (losses)/gains	<u>(12)</u>
Scheme assets at 31 August 2012	<u><u>546</u></u>

**History of experience gains and losses**

Fair value of assets	546
Present value of scheme liabilities	(959)
Deficit in scheme	(413)
Experience adjustment on scheme assets	(12)
Percentage of scheme assets	2.2%
Experience adjustment on scheme liabilities	12
Percentage of scheme liabilities	1.25%

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012

19 PENSION COMMITMENTS - (continued)

Sensitivity Analysis

Change in assumptions at the period end 31 August 2012	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	11%	104
1 year increase in member life expectancy	3%	29
0.5% increase in the Salary Increase Rate	4%	36
0.5% increase in the Pension Increase Rate	7%	66

**BIGGLESWADE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012**

**20 MOVEMENT IN FUNDS**

	At 30/1/12 £	Net movement in funds £	Transfers between funds £	At 31/8/12 £
<b>Unrestricted funds</b>				
Other income not for capital purposes	-	53,334	(21,585)	31,749
<b>Restricted funds</b>				
General Annual Grant (GAG)	-	26,951	4,002	30,953
Start up grant	-	5,300	-	5,300
Devolved capital	-	12,168	(6,338)	5,830
Other grants	-	15,896	-	15,896
Pensions reserve	-	(405,000)	(8,000)	(413,000)
	-	(344,685)	(10,336)	(355,021)
<b>Restricted fixed asset funds</b>				
Capital expenditure from GAG	-	(330)	3,998	3,668
Capital expenditure from capital grants	-	(627)	6,338	5,711
Capital expenditure from other income	-	4,655,801	21,585	4,677,386
	-	4,654,844	31,921	4,686,765
<b>TOTAL FUNDS</b>	-	<u>4,363,493</u>	-	<u>4,363,493</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012

## 20 MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Other income not for capital purposes	150,121	(96,787)	-	53,334
<b>Restricted funds</b>				
General Annual Grant (GAG)	1,078,421	(1,051,470)	-	26,951
Other grants	98,559	(82,663)	-	15,896
Pensions reserve	(381,000)	-	(24,000)	(405,000)
Start up grant	25,000	(19,700)	-	5,300
Devolved capital	12,168	-	-	12,168
Pupil premium	11,100	(11,100)	-	-
One to one funding	46,900	(46,900)	-	-
	891,148	(1,211,833)	(24,000)	(344,685)
<b>Restricted fixed asset funds</b>				
Capital expenditure from other income	4,696,417	(40,616)	-	4,655,801
Capital expenditure from GAG	-	(330)	-	(330)
Capital expenditure from capital grants	-	(627)	-	(627)
	4,696,417	(41,573)	-	4,654,844
<b>TOTAL FUNDS</b>	<u>5,737,686</u>	<u>(1,350,193)</u>	<u>(24,000)</u>	<u>4,363,493</u>

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- (ii) Start up grant - these grants are awarded to assist the Academy during the conversion from a school. These were for recurrent expenditure, with any unspent funds available to carry forward.
- (iii) Devolved capital - This funding can be used for capital expenditure and repairs to enhance the fabric of the Academy's buildings. This funding has been carried forward and is expected to be spent next year.
- (iv) Local authority - the authority provides funding to the Academy for amongst others, pupils with statements of special educational needs.
- (v) Pension reserve - the costs, income associated with the defined benefit pension scheme, the local government pension scheme (LGPS) have been recorded in the GAG restricted fund, and then transferred to the restricted pension fund on the Statement of Financial Activities. Gains and losses associated with the pension scheme are shown in the restricted pension fund. The transfer between funds of £8,000 relates to the movement on the liability (excluding actuarial gains/losses).

**Transfers between funds**

During the period the Academy incurred capital expenditure of £31,921. This amount has been treated as a transfer between funds in accordance with the Department for Education guidelines.

**21 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to  
(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and  
(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

**22. RELATED PARTY DISCLOSURES**

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, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have 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

**23. ULTIMATE CONTROLLING PARTY**

The trustee's have ultimate control of the Academy

**24. 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, or within one year after he/she ceases to be 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

**25 INCORPORATION**

The company incorporated on 30 January 2012 and opened as an Academy on the 1 March 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE PERIOD 30 JANUARY 2012 TO 31 AUGUST 2012

## 26 CONVERSION TO AN ACADEMY

On 1 September 2011 the Holmemead Middle School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Biggleswade Academy Trust from the Local Authority for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings			4,696,417	4,696,417
- Other tangible assets				
Budget surplus/(deficit) on LA funds	56,179			56,179
Budget surplus/(deficit) on other school funds				
LGPS pension surplus/(deficit)		(381,000)		(381,000)
Borrowing obligations				
Other identified assets and liabilities				
Net assets/(liabilities)	<u>56,179</u>	<u>(381,000)</u>	<u>4,696,417</u>	<u>4,371,596</u>