

BEAVER ROAD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

BEAVER ROAD ACADEMY TRUST

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FOR THE PERIOD ENDED 31 AUGUST 2014

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BEAVER ROAD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE PERIOD ENDED 31 AUGUST 2014

Trustees

Andrew Harty #
David How #
Louise Garvey #
Jaina Mistry
Claire Myers (appointed 31 April 2014)
Holly Myers #
Lynne Allan
Eileen Garry
Christopher Atkinson #
Paul Barker-Mathews *
Helen Chilton (appointed 2 December 2013)
Pauline Black
Sarah Turner
Patricia Holmes #
Sarah Carter # (resigned 18 December 2013)

members of the finance and audit committees

* member of the audit committee

Members

Andrew Harty
Lynne Allan
Christopher Atkinson
Paul Barker-Mathews
Patricia Holmes

Senior management team

- Head teacher David How
- Assistant head Victoria Jackson
- Assistant head Jaina Mistry
- Assistant head Juli-Anne Shaughnessy
- Assistant head Sarah Turner
- Deputy head Christopher Warren
- Business manager Anna Cohen

Company registration number

08698831 (England and Wales)

Registered office

Beaver Road, Didsbury, Manchester, M20 6SX

Independent auditors

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

Lloyds Bank, Market Street, Manchester

BEAVER ROAD ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 20 September 2013 to 31 August 2014.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Beaver Road Academy Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as Beaver Road Academy Trust.

Details of the trustees who served during the year 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

The Beaver Road Academy Trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Details of the costs can be found in note 9 of the accounts.

Principle activities

The Beaver Road Academy Trust opened as a school on 1 November 2013 replacing Beaver Road Primary School which ceased to be maintained by the local authority on that date. The Beaver Road Academy Trust's principle activities are 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, managing and developing a school, offering a broad and balanced curriculum.

Method of recruitment and appointment or election of trustees

The board of trustees is responsible for the appointment of trustees except for parent and staff trustees that are elected through an election process directed by the board of trustees. In the event that these positions are not filled, the board of trustees are able to appoint these positions. The Beaver Road Academy Trust shall have the following trustees:

- 5 staff trustees
- 6 parent trustees
- 1 LA trustee
- 3 community trustees

Policies and procedures adopted for the induction and training of trustees

The trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to Beaver Road Academy Trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees. During this period, trustees were offered all necessary training.

Organisational structure

The structure consists of two levels, the trustees and senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting a Strategic School Development Plan and setting the budget. They also monitor Beaver Road Academy Trust by the use of financial reports and examination results and make major decisions about the direction of Beaver Road Academy Trust, capital expenditure and senior staff appointments.

BEAVER ROAD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

The school leadership team is the headteacher, the deputy headteacher, 4 assistant headteachers and the school business manager. These leaders control Beaver Road Academy Trust at an executive level implementing the policies laid down by the trustees and are accountable to them for the performance of the school.

The board of trustees has seven committees. Each committee has its own terms of reference detailing the responsibilities discharged to the committee and to the headteacher. The terms of reference and meeting frequency for each committee is reviewed and approved by the trustees annually. The terms of reference for the finance committee detail the school's authorised spending limits.

The committees of the board of trustees are:

- Finance
- Curriculum
- Audit committee
- Headteacher's performance management
- Pay committee
- Pay appeals
- Disciplinary

Connected organisations including related party relationships

Beaver Road Academy Trust has one related party which was inherited on conversion. The related party is Beaver Road Little Stars Nursery CIC. Detailed can be found in note 24 of the accounts.

Risk management

The trustees are aware of their responsibility of the major risks to which Beaver Road Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of Beaver Road Academy Trust, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school visits) and in relation to the control of finances. The trustees will introduce further systems, including refinements of internal financial controls in order to minimise risk so that they are satisfied that systems are in place to mitigate any exposure to major risks. They have ensured they have adequate insurance cover. Beaver Road Academy Trust has an effective system of internal financial controls.

A formal review of Beaver Road Academy Trust's risk management process is undertaken on an annual basis and key controls in place will include:

- Formal agendas for all committee activity.
- Terms of reference for governing body and delegated committees under the direction of the governing body.
- Pecuniary interests of trustees reviewed at each meeting.
- Comprehensive budgeting and management reporting.
- Established organisational structure and clear lines of reporting.
- Formal written policies.
- Clear authorisation and approval levels.
- Vetting procedures as required by law for protection for the vulnerable.

Key performance indicators

The senior leadership team considers the following to be the key performance indicators for the school:

- Attendance
- Attainment & Achievement
- Ofsted 'outstanding' in all measures

BEAVER ROAD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Objectives and activities

Objects and aims

Beaver Road Academy Trust's object is to ensure that as a child they have:

- A chance to dream and dreams are fostered.
- Have many chances to showcase their talents.
- Encouragement to understand their emotions and manage them.
- Encouragement to develop their social skills and how to use them.
- Experience in the joy of discovering nature.
- Experience in the joys and wonders of Manchester and the surrounding region.
- The right to be respected and a duty to respect others.

Its aim is to provide the children with the necessary academic, creative, physical and social skills that will develop throughout their education and lay the foundations for a fulfilled adult life.

Objectives, strategies and activities

The wider aims of Beaver Road Academy Trust are:

- To play our part in raising national standards in education through sharing good practice with other schools and teachers across Manchester.
- To take a leading role in national initiatives.

Beaver Road Academy Trust's priorities for the period ending 31 August 2014 were:

- Progress and rate of progress of all pupils for year to year and not just from Year 2 to Year 6.
- Early identification by class teachers of, and appropriate intervention/action for, pupils making less than expected progress during a year or between years, particularly where those children are Pupil Premium supported.
- Involvement and inclusion of all pupils in identifying and understanding their learning needs and how to help them improve.
- Teaching of Writing across all year groups.

Public benefit

The trustees confirm that they have referred to the Charity Commission's general guidance on the public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees considered how planned activities will contribute to the aims and objectives they have set.

The Beaver Road Academy Trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

Attendance

The schools attendance for 2013/2014 was 96.8%.

BEAVER ROAD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Attainment and achievement

- The overall average points score in 2014 was 30.5 which were significantly above the national average by 1.8. Overall results have improved slightly by 0.1 since 2013. Results have been significantly above the national average for the past 5 years.
- The Maths average points score in 2014 was 30.8 and was significantly above the national average by 1.8. Maths results fell by 0.3 in comparison with the 2013 position. Results have been significantly above the national average for the past 5 years.
- The Reading average points score in 2014 was 30.5 which were significantly above the national average by 1.5. This shows a 0.7 improvement in comparison with 2013. The results have been significantly above for 3 of the past 4 years.
- The Writing average points score in 2014 was 30.0 which were significantly above the national average by 2.1. This shows an improvement of 0.4 in comparison with the 2013 position. Results have been significantly above average for 3 of the past 4 years.
- The English Grammar, Punctuation and Spelling (SPAG) average points score in 2014 was 30.7 and was significantly above the national average by 2.1. Results have fallen by 0.3 compared with 2013.
- The percentage attaining L4+ was significantly above average for reading and SPAG and above average for Maths and for Writing.
- The percentage attaining L5+ was significantly above average for Reading; Writing, Maths and for SPAG.
- Value added information suggests that progress between KS1 and KS2 was significantly above the average overall and significantly above average for Maths, Writing and for Reading.
- The percentage of pupils making 2 levels progress was above average for Reading by 7% above for Maths by 5% and above average for Writing by 2%.

Ofsted 'outstanding' in all measures

Beaver Road Academy Trust was last inspected in 2011 then the school was deemed 'outstanding'. The school constantly reviews and monitors its own progress through self-evaluation and against other schools nationally and locally to ensure that the school continues to be 'outstanding'.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that Beaver Road Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of Beaver Road Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure is shown as restricted funds in the statement of financial activities.

Reserves policy

The level of reserves held at 31 August 2014 total £3,601,000, of which £269,000 are free reserves. A proportion of the reserves will be allocated as part of the School Development Plan, to update, improve and maintain facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of Beaver Road Academy Trust for which reserves will be allocated and determined in order of priority to meet the needs of the school. The trustees will review the reserve levels annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Investment policy

Beaver Road Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. Beaver Road Academy Trust does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

BEAVER ROAD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Principle risks and uncertainties

Beaver Road Academy Trust has a risk management policy. The main risks identified include both strategic and operational risk and have been assessed under the following categories:

- Professional – achieving strategic aims, management structures, educational priorities, conduct, and liability beyond classroom and staff and pupil procedures.
- Physical – injury to staff and pupils, property, financial, legal, environmental, contractual, technological and disaster recovery.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, onand signed on the board's behalf by:

.....
Andrew Harty
Chair of trustees

BEAVER ROAD ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring the Beaver Road 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 board of trustees has delegated the day-to-day responsibility to the headteacher, 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 Beaver Road Academy Trust 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 period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Harty	5	6
Lynne Allan	5	6
Eileen Garry	3	6
David How	6	6
Chris Atkinson	6	6
Paul Barker-Mathews	5	6
Pauline Black	5	6
Sarah Turner	5	6
Sarah Carter	1	2
Patricia Holmes	5	6
Helen Chilton	4	4
Jaina Mistry	3	6
Claire Myers	2	6
Louise Garvey	3	6
Holly Myers	3	3

The finance committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board of trustees by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees' responsibility to ensure sound management of Beaver Road Academy Trust's finances and resources, including proper planning, monitoring and probability. This committee will make appropriate comments and recommendations on such matters to the board of trustees on a regular basis. Major issues will be referred to the board of trustees for ratification. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Chris Atkinson (Chair)	3	4
Louise Garvey	1	4
Andrew Harty	3	4
Patricia Holmes	4	4
David How	4	4
Holly Myers	1	2
Sarah Carter	0	1

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the academy trust's governance, risk management, internal control and value for money framework. This committee will report its findings annually to the board of trustees and the accounting officer as a critical element of the audit committee's annual reporting requirements. The committee members include the members of the finance committee plus one other trustee. For this reason the audit committee was held at the same time as the finance committee. The attendance at the meetings was the same as the above finance committee plus the following for the period:

Trustee	Meetings attended	Out of a possible
Paul Barker-Mathews	0	4

BEAVER ROAD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beaver Road Academy Trust for the period 1 November 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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 forecast 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 not to appoint an internal auditor. However, the trustees have appointed Patricia Holmes, a trustee, as a responsible officer.

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the responsible officer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the review.

Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system on internal control. During the year in question 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; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of the system of internal control by the finance committee and ensures continuous improvement of the system is in place.

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

.....
Andrew Harty
Chair of trustees

.....
David How
Accounting officer

BEAVER ROAD ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2014

As accounting officer of Beaver Road Academy Trust I have considered my responsibility to notify the academy trust's 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 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's 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.

Approved on and signed by:

.....
David How
Accounting officer

BEAVER ROAD ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2014

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

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

.....
Andrew Harty
Chair of trustees

BEAVER ROAD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAVER ROAD ACADEMY TRUST

FOR THE PERIOD ENDED 31 AUGUST 2014

We have audited the accounts of Beaver Road Academy Trust for the period ended 31 August 2014 which comprise the statement of financial activities, the summary income and expenditure account, 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees, who are also the directors of Beaver Road Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial period for which the accounts are prepared is consistent with the accounts.

BEAVER ROAD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAVER ROAD ACADEMY TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Matters on which we are required to report by exception

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

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

.....

John Whittick (Senior Statutory Auditor)

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated:

BEAVER ROAD ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEAVER ROAD ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2014

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beaver Road Academy Trust during the period 20 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Beaver Road 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 Beaver Road 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 the Beaver Road Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Beaver Road Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Beaver Road Academy Trust's funding agreement with the Secretary of State for Education dated 29 October 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 20 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

BEAVER ROAD ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEAVER ROAD ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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 20 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Reporting Accountant
Haines Watts

Dated:

BEAVER ROAD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £000	Restricted funds £000	Fixed asset fund £000	Total 2014 10 months £000
Incoming resources					
<i>Resources from generated funds</i>					
- Voluntary income	2	2	-	-	2
- Inherited on conversion	25	192	(238)	3,785	3,739
- Activities for generating funds	3	473	-	-	473
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	-	2,077	11	2,088
Total incoming resources		667	1,839	3,796	6,302
Resources expended					
<i>Costs of generating funds</i>					
- Fundraising trading	5	191	-	-	191
<i>Charitable activities</i>					
- Educational operations	6	61	2,163	60	2,284
Governance costs	7	-	21	-	21
Total resources expended	5	252	2,184	60	2,496
Net incoming/(outgoing) resources before transfers					
Gross transfers between funds		415	(345)	3,736	3,806
		(146)	116	30	-
Net income/(expenditure) for the period		269	(229)	3,766	3,806
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(205)	-	(205)
Net movement in funds		269	(434)	3,766	3,601
Fund balances at 20 September 2013		-	-	-	-
Fund balances at 31 August 2014		269	(434)	3,766	3,601

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

All of the academy's activities derive from acquired operations during the financial period above.

BEAVER ROAD ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £000	£000
Fixed assets			
Tangible assets	10		3,766
Current assets			
Debtors	12	203	
Cash at bank and in hand		248	
		<hr/>	
		451	
Creditors: amounts falling due within one year	13	(152)	
		<hr/>	
Net current assets			299
			<hr/>
Total assets less current liabilities			4,065
Defined benefit pension liability	17		(464)
			<hr/>
Net assets			3,601
			<hr/> <hr/>
Funds of the academy trust:			
Restricted income funds	15		
- Fixed asset funds			3,766
- General funds			30
- Pension reserve			(464)
			<hr/>
Total restricted funds			3,332
Unrestricted funds	15		269
			<hr/>
Total funds			3,601
			<hr/> <hr/>

The accounts were approved by order of the board of trustees and authorised for issue on

.....
Andrew Harty
Chair of trustees

Company Number 08698831

BEAVER ROAD ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	31 August 2014 10 months £000
Net cash inflow/(outflow) from operating activities	18	278
Capital expenditure and financial investments		
Capital grants received		11
Payments to acquire tangible fixed assets		(41)
		<hr/>
Net cash flow from capital activities		(30)
		<hr/>
Increase/(decrease) in cash	19	248
		<hr/> <hr/>

All of the cash flows are derived from acquisitions in the current financial period.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013/14 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Basis of consolidation

The academy has taken advantage of the exemption to produce consolidated accounts on the basis that the subsidiary is immaterial. The accounts therefore represent information about the academy as an individual undertaking.

1.4 Conversion to an academy trust

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 method.

The assets and liabilities transferred on conversion from Beaver Road Primary School to the academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their value is in accordance with the accounting policies set out for Beaver Road Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount in deficit inherited on conversion within resources expended in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Assets have been transferred at their depreciable rated value.

1.5 Incoming resources

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

Grants receivable

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

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

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

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

Sponsorship income

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

Donations

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

Other income

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

Donated services and gifts in kind

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

1.6 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

1.7 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

1.8 Leasing and hire purchase commitments

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

1.9 Taxation

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

1.10 Pensions benefits

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

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

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other 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 Education Funding Agency/Department for Education.

1.12 Investments

Investments in subsidiary are stated at the trustees' valuation.

2 Voluntary income

	Unrestricted funds £000	Restricted funds £000	Total 2014 £000
Other donations	2	-	2

3 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Total 2014 £000
Income from fundraising trading	145	-	145
Catering income	92	-	92
Music tuition	27	-	27
Trips	57	-	57
Nursery income	37	-	37
Other income	115	-	115
	<u>473</u>	<u>-</u>	<u>473</u>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2014 £000
DfE / EFA grants			
General annual grant (GAG)	-	1,872	1,872
Start up grants	-	25	25
Capital grants	-	11	11
Other DfE / EFA grants	-	78	78
	<u>-</u>	<u>1,986</u>	<u>1,986</u>
Other government grants			
Local authority grants	-	97	97
Other grants	-	5	5
	<u>-</u>	<u>102</u>	<u>102</u>
Total funding	<u>-</u>	<u>2,088</u>	<u>2,088</u>

5 Resources expended

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2014 £000
Academy's educational operations				
- Direct costs	1,561	-	181	1,742
- Allocated support costs	218	113	211	542
	<u>1,779</u>	<u>113</u>	<u>392</u>	<u>2,284</u>
Other expenditure				
Costs of activities for generating funds	105	35	51	191
Governance costs	-	-	21	21
	<u>105</u>	<u>35</u>	<u>72</u>	<u>212</u>
Total expenditure	<u>1,884</u>	<u>148</u>	<u>464</u>	<u>2,496</u>

Costs of activities for generating funds are the costs incurred in relation to Beaver Road Little Stars Nursery CIC. These comprise running costs of £145,000, write off of the value of the investment of £30,000 and a write off of bad debts of £16,000. See related party note for further information.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

5 Resources expended

Incoming/outgoing resources for the year include: **2014**
£000

Operating leases	
- Plant and machinery	14
Fees payable to auditor	
- Audit	5
	<u> </u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2014 £000
Fixed asset losses - total	30
- Items over £5,000: Reduction in value of shares in subsidiary	30
Unrecoverable debts - total	16
- Items over £5,000: Irrecoverable debt from subsidiary	16
	<u> </u>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

6 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2014 £000
Direct costs			
Teaching and educational support staff costs	-	1,546	1,546
Technology costs	-	8	8
Educational supplies and services	-	40	40
Staff development	-	15	15
Other direct costs	61	72	133
	<u>61</u>	<u>1,681</u>	<u>1,742</u>
Allocated support costs			
Support staff costs	-	197	197
Depreciation	-	60	60
Technology costs	-	26	26
Maintenance of premises and equipment	-	53	53
Cleaning	-	36	36
Energy costs	-	35	35
Rent and rates	-	28	28
Insurance	-	29	29
Catering	-	37	37
Pension cost	-	21	21
Other support costs	-	20	20
	<u>-</u>	<u>542</u>	<u>542</u>
Total costs	<u>61</u>	<u>2,223</u>	<u>2,284</u>

7 Governance costs

	Unrestricted funds £000	Restricted funds £000	Total 2014 £000
Legal and professional fees	-	16	16
Auditor's remuneration - Audit of financial statements	-	5	5
	<u>-</u>	<u>21</u>	<u>21</u>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

8 Staff costs

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

	2014 Number
Teachers	49
Administration and support	9
Management	7
	<hr/>
	65
	<hr/> <hr/>

Costs included within the accounts:

	2014 £000
Wages and salaries	1,395
Social security costs	141
Other pension costs	219
	<hr/>
	1,755
Supply teacher costs	95
Severance payments	19
Staff development and other staff costs	15
	<hr/>
Total staff costs	1,884
	<hr/> <hr/>

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

	2014 Number
£60,001 - £70,000	1
	<hr/> <hr/>

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

		2014
Teachers' Pension Scheme	Numbers	1
	£000	9
		<hr/>
Local Government Pension Scheme	Numbers	-
	£000	-
		<hr/>

Included in severance payments are non-statutory/non-contractual payments totalling £18,562. Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £9,281 each.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period, no travel and subsistence payments were made.

The value of trustees' remuneration was as follows:

David How (principal)	£60,001 - £70,000
Jaina Mistry (staff)	£30,001 - £40,000
Claire Myers (staff)	£20,001 - £30,000
Holly Richards (staff)	£20,001 - £30,000
Louise Garvey (staff)	£10,001 - £20,000

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost for this is included in the total insurance cost.

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 20 September 2013	-	-	-	-
Additions	-	41	-	41
Transfers	3,728	22	35	3,785
	<u>3,728</u>	<u>22</u>	<u>35</u>	<u>3,785</u>
At 31 August 2014	3,728	63	35	3,826
	<u>3,728</u>	<u>63</u>	<u>35</u>	<u>3,826</u>
Depreciation				
At 20 September 2013	-	-	-	-
Charge for the period	39	17	4	60
	<u>39</u>	<u>17</u>	<u>4</u>	<u>60</u>
At 31 August 2014	39	17	4	60
	<u>39</u>	<u>17</u>	<u>4</u>	<u>60</u>
Net book value				
At 31 August 2014	3,689	46	31	3,766
	<u>3,689</u>	<u>46</u>	<u>31</u>	<u>3,766</u>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

11 Fixed asset investments

	Shares in subsidiary £000
Market value	
At 20 September 2013	-
Acquisitions on conversion	30
Change in value in the period	(30)
	<hr/>
At 31 August 2014	-
	<hr/>
Historical cost:	
At 31 August 2014	30
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
Subsidiary undertakings		Class	%
Beaver Road Little Stars Nursery CIC	England & Wales	Ordinary	100

The principal activity of the company is that of a nursery.

12 Debtors

	2014 £000
Amounts owed by group undertakings	43
VAT recoverable	91
Prepayments and accrued income	69
	<hr/>
	203
	<hr/>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

13	Creditors: amounts falling due within one year	2014
		£000
	Accruals	15
	Deferred income	137
		<hr/>
		152
		<hr/> <hr/>
14	Deferred income	2014
		£000
	Deferred income is included within:	
	Creditors due within one year	137
		<hr/>
	Total deferred income at 20 September 2013	-
	Amounts credited to the statement of financial activities	-
	Amounts deferred in the period	137
		<hr/>
	Total deferred income at 31 August 2014	137
		<hr/> <hr/>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

15 Funds

	Balance at 20 September 2013 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2014 £000
Restricted general funds					
General Annual Grant	-	1,872	(1,958)	116	30
Start up grants	-	25	(25)	-	-
Other DfE / EFA grants	-	78	(78)	-	-
Other government grants	-	102	(102)	-	-
	<u>-</u>	<u>2,077</u>	<u>(2,163)</u>	<u>116</u>	<u>30</u>
Funds excluding pensions	-	2,077	(2,163)	116	30
Pension reserve	-	(238)	(21)	(205)	(464)
	<u>-</u>	<u>1,839</u>	<u>(2,184)</u>	<u>(89)</u>	<u>(434)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	11	-	(11)	-
Inherited fixed asset fund	-	3,785	(55)	-	3,730
Expenditure from unrestricted funds	-	-	(5)	41	36
	<u>-</u>	<u>3,796</u>	<u>(60)</u>	<u>30</u>	<u>3,766</u>
Total restricted funds	<u>-</u>	<u>5,635</u>	<u>(2,244)</u>	<u>(59)</u>	<u>3,332</u>
Unrestricted funds					
General funds	-	667	(252)	(146)	269
	<u>-</u>	<u>667</u>	<u>(252)</u>	<u>(146)</u>	<u>269</u>
Total funds	<u>-</u>	<u>6,302</u>	<u>(2,496)</u>	<u>(205)</u>	<u>3,601</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

16 Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	Total funds £000
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	3,766	3,766
Current assets	269	182	-	451
Creditors: amounts falling due within one year	-	(152)	-	(152)
Defined benefit pension liability	-	(464)	-	(464)
	<u>269</u>	<u>(434)</u>	<u>3,766</u>	<u>3,601</u>

17 Pensions and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

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

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

17 Pensions and similar obligations

Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website: (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme changes

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

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

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

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

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

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

17 Pensions and similar obligations

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5-12 per cent for employers and 17.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £110,000.

As described above the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

	2014 £000
Employer's contributions	90
Employees' contributions	31
	<hr/>
Total contributions	121
	<hr/> <hr/>

Principal actuarial assumptions

	2014 %
Rate of increase in salaries	3.8
Rate of increase for pensions in payment	2.7
Discount rate for scheme liabilities	3.7
Expected return on assets	5.5
	<hr/> <hr/>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

17 Pensions and similar obligations

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

Sensitivity analysis

Changes in assumptions at 31 August 2014

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	16%	203
1 year increase in member life expectancy	3%	39
0.5% increase in the Salary Increase Rate	9%	121
0.5% increase in the Pension Increase Rate	6%	75

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

	2014 Years
Retiring today	
- Males	31.4
- Females	24.0
Retiring in 20 years	
- Males	24.0
- Females	26.6

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

	2014 Expected return %	2014 Fair value £000
Equities	6.3	589
Bonds	3.2	149
Cash	3.3	42
Property	4.5	50
	<hr/>	<hr/>
Total market value of assets		830
Present value of scheme liabilities - funded		(1,294)
		<hr/>
Net pension asset / (liability)		(464)

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

17 Pensions and similar obligations

The rates of return haven determined using the Hymans Robertson Asset Model (HRAM). The HRAM type of model in known as an economic scenario generator and uses the probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do no change with different calibrations of the model. The expected returns shown in the report have been calculated using 5,000 simulations of HRAM, calibrated using market data as at a recent date. The actual return on scheme assets was £37,000.

Operating costs and income recognised in the statement of financial activities

	2014 £000
Financial expenditure/(income)	
Expected return on pension scheme assets	(35)
Interest on pension liabilities	36
	<u>1</u>
Other expenditure/(income)	
Current service cost	110
Past service cost	-
	<u>110</u>
Total operating charge/(income)	<u>111</u>

Actuarial gains and losses recognised in the statement of financial activities

	2014 £000
Actuarial (gains)/losses on assets: actual return less expected	(2)
Experience (gains)/losses on liabilities	207
(Gains)/losses arising from changes in assumptions	-
	<u>205</u>
Total (gains)/losses	<u>205</u>
Cumulative (gains)/losses to date	<u>205</u>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

17 Pensions and similar obligations

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

	2014 £000
Opening defined benefit obligations	(910)
Current service cost	(110)
Interest cost	(36)
Contributions by employees	(31)
Actuarial gains/(losses)	(207)
	<u>(1,294)</u>

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

	2014 £000
Opening fair value of scheme assets	672
Expected return on assets	35
Actuarial gains/(losses)	2
Contributions by employers	90
Contributions by employees	31
	<u>830</u>

History of experience gains and losses:

	2014 £000
Present value of defined benefit obligations	(1,294)
Fair value of share of scheme assets	830
	<u>(464)</u>
Surplus / (deficit)	
	<u>(464)</u>
Experience adjustment on scheme liabilities	(207)
Experience adjustment on scheme assets	2
	<u>(205)</u>

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities	2014 £000
Net income	3,806
Capital grants and similar income	(11)
Net deficit/(surplus) transferred on conversion	(3,739)
Net current assets other than cash transferred on conversion	192
FRS17 pension costs less contributions payable	20
FRS17 pension finance income	1
Depreciation of tangible fixed assets	60
(Increase)/decrease in debtors	(203)
Increase/(decrease) in creditors	152
	<hr/>
Net cash inflow/(outflow) from operating activities	278
	<hr/> <hr/>

19 Reconciliation of net cash flow to movement in net funds	2014 £000
Increase/(decrease) in cash	248
Net funds at 20 September 2013	-
	<hr/>
Net funds at 31 August 2014	248
	<hr/> <hr/>

20 Analysis of net funds	At 20 September 2013 £000	Cash flows £000	Non-cash changes £000	At 31 August 2014 £000
Cash at bank and in hand	-	248	-	248
	<hr/>	<hr/>	<hr/>	<hr/>

21 Major non-cash transactions

Tangible fixed assets donated on conversion totalled £3,785,000.

Investment in subsidiary on conversion totalled £30,000.

No payment was made for these assets.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

22 Commitments under operating leases

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

	Land and buildings 2014 £000	Other 2014 £000
Expiry date:		
- Within one year	35	-
- Between two and five years	-	22
	<hr/>	<hr/>
	35	22
	<hr/> <hr/>	<hr/> <hr/>

23 Capital commitments

At 31 August 2014 the company had capital commitments as follows:

Expenditure contracted for but not provided in the accounts	<hr/> 269
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24 Related parties

Beaver Road Little Stars Nursery CIC. This company is related to the academy as:

- The academy owns 100% of the share capital
- D How, the principal is a director of the company
- A Cohen, the business manager is a director of the company.

On conversion the academy inherited 100% of the share capital of Beaver Road Little Stars Nursery CIC. During the period the academy charged Beaver Road Little Stars Nursery CIC £144,999 in respect of salaries, rent and administration costs. At 31 August there was £82,754 due to the academy. Of this £43,217 has been paid leaving a balance of £39,537.

On conversion the academy also inherited a debt for the share capital of £30,000. The academy has not paid this amount.

On conversion there was a loan outstanding to the academy school fund from Beaver Road Little Stars Nursery CIC for £12,500. During the period to 31 August 2014 £5,000 of this was repaid, a further £1,000 has been repaid since, leaving a balance of £6,500.

On 31 August 2014 Beaver Road Little Stars Nursery CIC ceased trading and on 1 September 2014 the nursery was incorporated into the academy, doubling the size of its nursery. Funding after that date has been received from the local authority.

Beaver Road Little Stars Nursery CIC is unlikely to be able to pay its debts. Therefore the academy has made a provision in the accounts for a potential bad debt of £16,037, being the net amount due from Beaver Road Little Stars Nursery CIC that has not been paid. The write off has been dealt with through the unrestricted reserves. Furthermore the investment in the share capital has been revalued at nil.

BEAVER ROAD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

25 Conversion to an academy

On 1 November 2013 Beaver Road Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Beaver Road Academy Trust from the Manchester City Council 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 incoming resources 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 statement of financial activities.

Funds surplus/(deficit) transferred:	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	Total 2014 £000
Fixed assets funds	-	-	3,785	3,785
LA budget funds	11	-	-	11
LGPS pension funds	-	(238)	-	(238)
Other funds	181	-	-	181
	<u>192</u>	<u>(238)</u>	<u>3,785</u>	<u>3,739</u>
Net assets transferred:				£000
Pension surplus/(deficit)				(238)
				<u>(238)</u>

26 Members' liability

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