

By Brook Valley Academy Trust

**By Brook Valley Academy Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year Ended 31<sup>st</sup> August 2014**

**Company Registration Number  
8020467 (England and Wales)**

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By Brook Valley Academy Trust

**By Brook Valley Academy Trust Ltd**  
**Reference and Administrative Details**

**Trustees/Directors**

B Ball\*  
I Banister (Chair)\*  
R Dutton (until 17<sup>th</sup> July 2014)\*  
S Evans  
D Henshall  
Y Towl (Vice Chair)  
N Warn (until 17<sup>th</sup> July 2014)\*  
I Workman\*

\* indicates members of Finance, Premises, staffing & HR committee

**Members**

The Diocese of Bristol Academies Company  
C Draper  
D Else  
L Lawton  
E Ford  
O Upton  
M Lowe  
D New  
A Hilton  
J Fowley

**Company Secretary**

A Contardi

**Senior Management Team**

Headteacher

B Ball

Assistant Headteacher

D Henshall

Assistant Headteacher

J Jardim

By Brook Valley Academy Trust

<b>Principal and Registered Office</b>	By Brook Valley C of E Primary School The Street Yatton Keynell Chippenham Wiltshire SN14 7BA
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<b>Company Registration Number</b>	8020467 (England and Wales)
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<b>Independent Auditor</b>	Monahans 38-42 Newport Street Swindon SN1 3DR
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<b>Solicitors</b>	Blake Morgan LLP Seacourt Tower West Way Oxford OX2 0FB
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## **By Brook Valley Academy Trust**

### **Chairman's Statement**

**For the period ended 31<sup>st</sup> August 2014**

I have now completed my first full year as Chair of the By Brook Valley Academy Trust. The year has been one of transition for the governors, staff and pupils; it's also been an exciting one with two new classrooms being opened at the start of the summer term. As we enter the 2014-15 school year By Brook Valley has a dedicated classroom for every year group, a great space for breakfast/after school groups, a proper functioning staff room and more office space providing an enhanced working environment for both the children and staff.

As we complete this year of transition I felt this report should share some of those changes from a stakeholders perspectives starting with the most important group:-

#### **The Children**

By Brook Valley is for the children and it was such a delight to see the look on the children's faces when they arrived at school in April to see the new classrooms. However that's only part of the story. The engagement from the children in every year group shines through in the classroom, school assemblies and plays; it also can be seen in the data highlighted in the principal's report. I was also able to attend the year 6 leaver's service and see 23 children confidently express their experiences at By Brook before moving on to senior school.

#### **The Staff**

We clearly have a very dedicated team working at By Brook, their willingness to go the extra mile with the children is clear to see in the classroom, assemblies and in all other aspects of school life.

The work the staff put in over Easter to get the school ready for the start of the summer term was outstanding. The governors wish to put on record how much they appreciate the time and energy spent by the whole staff in minimising the impact on the children.

Led by the Senior Leadership Team (SLT) the whole staff is continuing to look to develop their teaching techniques and with the help of the teacher mentoring scheme our measure of outstanding lessons observed has increased by over 50% during the period.

#### **The Parents**

FoBBVS once again delivered some great events in the year to support the school. Their headline event was a circus in July which was a great success and provided further funds for the school. The governors wish to thank Tracy Goodall and her team for all the great work in 2014.

At the start of the year the management team felt that the governors were not known by the parents. We instigated a couple of changes to increase our profile:-

- The chair of governors now chairs the parent forum with other governors attending to support the whole school community.
- Increased our presence around the school, organising a social, classroom visits, assemblies, attending parent evenings and having a picture profile on the new website

We now feel governors have an increased profile and know at first hand the issues that parents have and can then positively support the head and staff in resolving these issues.

## **The Governors**

In my last report I said that Bob Dutton had stepped down as Chair after 10 years' service. The change prompted a review of the process and practices of the governors to see how best we could support the pupils, staff and parents of By Brook Valley in light of our Academy status.

With the help and support of the Head Teacher and the Vice Chair of Governors Yvonne Towl, a management group was formed to review and monitor the way the governors best support the school. One of our first issues was to increase the number of governors supporting the school and to provide some future succession planning. This has been a success with 15 governors now in place. However, with at least half of these having less than 12 months experience as governors it required the development of an induction process to help support these governors through their first year.

The management team felt that with the introduction of so many new governors that it was important to provide a supportive structure in the operation of the governing group. We therefore increased the number of governor meetings to six to provide opportunity for more strategic conversations, closer monitoring and more effective challenge. Meetings are more strategic and reports now prepared by sub-group chairs. Our collective knowledge is now good and accountability from all stakeholders higher.

One of the other projects completed in the year was the introduction of the governor file manager and induction process. The file manager now allows governors to find everything in one secure place on the web and, with the addition of the governor induction allows particularly the new governors to get a better understanding of what's required of a governor whilst being supported by more experienced governors at By Brook.

These and other changes have allowed governors to develop better engagement with pupils and the children have become aware of who we are. This helps us as governors ensure they are at the forefront of everything we do.

## **The Trust**

We enter 2014-15 with a more valuable and effective site for education and a reasonable surplus giving us the flexibility to consider what next needs to be done to continue to maintain the school and its environment in the best condition for the children of By Brook Valley. The next few years will continue to be challenging with an ever-changing education environment and potentially reduced funds. The trustees and governors recognise the need to always look forward and keep By Brook Valley at the forefront of education in the local area.

I said at the start of this report that it was year of transition however I also believe that it's been a year of success. By Brook Valley is now in the best position it perhaps has ever been with a rising roll, children achieving good or better levels of progress, a strong staff delivering good and outstanding lessons and a governing body who now have the appropriate skills and a developing knowledge to support the whole school over the next few years.

The trustees and governing body would like to thank everyone involved for their hard work, diligence and overall contribution to the school and I look forward to another successful year.



I Banister

Chair of Governors, 1st September 2014

## **Principal's Report**

### **For the period ended 31st August 2014**

#### **School Organisation**

This year we have continued to operate with seven classes. Our number on role is continuing to grow and reached 191 by mid-year, although it fell slightly to 188 at the end of the school year. In August 2013, work began to extend the school, funded by a grant from EFA. The build was completed by April 2014, giving the school a much needed two additional permanent classrooms. One of these replaces the mobile which has been gifted back to the local authority.

#### **School Leadership**

The Senior Leadership Team of Head and two Assistant Heads continues to rigorously pursue excellence in teaching and learning. A focus in 2013-14 on the mentoring and development of teachers and teaching has raised standards of teaching and learning further. A new part time Inclusion Manager / Special needs co-ordinator joined the school in September 2013. This has further improved our provision, tracking and accountability for the progress of children with SEN as well as those in receipt of pupil premium. Targeted CPD, organised by the Inclusion Manager, improved outcomes for children through enhances staff skills and the introduction of new intervention programmes. The Inclusion Manager and Senior Leadership Team continue to hold termly meetings with teachers on pupil progress and attainment. This ensures that all children and all groups of learners are making at least expected progress.

Governor monitoring, evaluation and challenge of school development and improvement has been further strengthened through committee action plans linked to the School Improvement and Development Plan. Governor succession planning, focusing on skill gaps, induction for new governors and wider involvement in training opportunities has strengthened their school leadership and secured a clear focus of achieving the best possible outcomes for children.

#### **Attainment**

Attainment continues to be good throughout the school. The school ensures accuracy of all teacher assessments through cluster and /or LA moderation. This includes baseline assessments on entry into the foundation Phase and Year 1. In the summer of 2014 the school's foundation stage and key stage 1 assessments were also moderated by the LA. This confirmed the accuracy of our teacher assessments.

All staff have professional development to maximise outcomes for children.

#### **July 2014 School Overview of Attainment**

##### **End of Foundation Stage Attainment:**

70% children achieved a good level of development (or above) in all Prime areas and in Literacy and Maths. 73% of girls and 67% of boys achieved a good level of development which compares favourably with 2013 national figures of 52% of all children, 60% girls and 44% of boys. The total average points for the cohort were 35.4. This is above 2013 national figure of 32.8.

# Key Stage 1 and 2 Attainment

PERCENTAGE OF PUPILS AT EACH LEVEL (% may not total 100 due to rounding)

## READING

Year	NOR	P8	1C	1B	1A	2C	2B	2A	3C	3B	3A	4C	4B	4A	5C	5B	5A	6
1	29		4	25	18	25	18	11										
2	31					10	19	29	16	23	3							
3	27					4		19	8	42	23		4					
4	29							3	3	10	31	10	28	14				
5	24								4			12	4	25	29	25		
6	23									4		4	4	9	39	13	26	

## WRITING

Year	NOR	P5/6	P8	1C	1B	1A	2C	2B	2A	3C	3B	3A	4C	4B	4A	5C	5B	5A	6c
1	29			14	11	39	29	7											
2	31						23	29	26	16	6								
3	27							15	8	42	19	15							
4	29								7	10	31	21	21	7	3				
5	24									8	4	8	8	26	26	22			
6	23										4		9	22	26	9	17	4	9

## MATHS

Year	NOR	P5/6	P8	1C	1B	1A	2C	2B	2A	3C	3B	3A	4C	4B	4A	5C	5B	5A	6c	6B
1	29				7	64	25	3												
2	31						3	35	32	23	6									
3	27						4	8	8	27	31	23								
4	29							4	4	7	10	38	24	14						
5	24									4	4	4	25	17	25	8	12			
6	23							4					9	26	17	9	13	1	7	4

## Parent Partnership

During 2013-14 three Parent Forums were held. As a result of feedback and suggestions from parents we have:

- Introduced termly attainment and progress reports and reviewed these with parents
- Improved communication through developing a new website
- Improved safety in the school car park and the village hall car park, including the introduction of a 'drop off zone'
- Reviewed the timings of school plays to maximise learning opportunities for all children
- Encouraged parents to celebrate and share with the school when their child demonstrates our value of the term.
- Informed parents about the new curriculum and what it means for their child.

## Our priorities for 2014-15 include:

- To achieve above expected progress for all children and all groups of learners through focusing in on particular areas with specific cohorts e.g. YR/1 phonics and reading.
- Further improve the quality of teaching and learning across the school by increasing the percentage of outstanding lessons observed from 23% to 38%. This will be achieved through the continuation and development of our teacher mentoring



By Brook Valley Academy Trust

scheme using in school and external expertise to support each individual teacher to achieve outstanding practice.

- To support parents in understanding the new curriculum through producing information leaflets and holding further information sessions.
- To review our pupil assessment systems.



B Ball  
Headteacher  
1<sup>st</sup> September 2014

## **By Brook Valley Academy Trust Trustee's Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2013 to 31<sup>st</sup> August 2014. The annual report serves the purpose of both a trustee's report, and a director's report under company law.

The trust operates a single academy, The By Brook Valley C of E Primary School, for pupils aged 4 to 11, serving a catchment area which includes the villages of Biddestone, Nettleton and Burton, Castle Combe and Yatton Keynell. The school has a pupil capacity of 210 and had a roll of 193 in the school census in October 2014.

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

#### **Constitution**

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on Page 3.

#### **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**

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 while on Academy business. The insurance policy provides cover up to £10,000,000 on any one claim.

#### **Method of Recruitment and Appointment or Election of Trustees**

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire.

The Chair and Vice Chair are elected by the Governing Body, annually, at the first meeting of the year, from within their own number.

The Governors who were in office at 31<sup>st</sup> August 2014 and served throughout the period, except where shown are listed in the Reference and Administrative Details section.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Governors is dependent on their existing experience. Where necessary induction training is provided on charity and educational, legal and financial matters.

All new Governors are given a tour of the school and the opportunity to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts. Budget, plans, and other documents that they will require to undertake their role as Governors. Induction tends to be informal and is tailored specifically to the individual.

### **Organisational Structure**

The organisational structure of the Academy Trust consists of four levels:

- Trustees (Directors)
- Members (Governors)
- Senior Leadership Team
- School Staff

The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the Headteacher and two Assistant Headteachers. These managers control the school at an executive level, implementing the policies laid down by the Governors, and reporting back to them. The Headteacher is responsible for appointment of staff, though all senior appointments also require the approval of the Governing Body. The Headteacher, assisted by the School Business Manager, is responsible for authorisation of expenditure within agreed budgets.

### **Connected Organisations including Related Party Relationships**

The Church of England via the Diocese of Bristol Academies Company is a foundation member of the academy trust.

The school is a member of the Chippenham Partnership of Schools.

### **Objectives and Activities**

#### **Objects and Aims**

The Principle object and activity of the Charitable Company, as outlined in the Trusts' Articles of Association, is the operation of the By Brook Valley C of E Primary 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 a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

#### **Aims, Activities, Achievements and Performances**

The Aims and Activities and Achievements and Performance for 2013/14 are summarised in the Principal's Report above.

One of the Academy's aims for the period under review was the completion of the school's classroom extension project. The school was successful in securing a bid of £480,605 from the Education Funding Agency's Academies Capital Maintenance Fund in April 2013. The Academy Trust contributed £65,885 from reserves and £5,856 from devolved formula capital income towards the cost of the project. The extension was completed in April 2014 and has provided much needed additional classroom space and an impressive learning environment for the pupils.

The Academy Trust applied for further funding from the ACMF for the purchase of replacement equipment in the school kitchen. From September 2014 all Key Stage 1 children are entitled to a free school meal under the Universal Infant Free School Meals scheme. It was decided that, in order to accommodate the additional numbers of free school meals that this scheme would generate, additional capital investment in the school kitchen would be required.

Funding was awarded for this project in April 2014 for a total of £6,210. This enabled the school to replace ageing equipment such as the dishwasher, commercial refrigerator and chest freezer in the kitchen, to increase the number of available chairs and tables in the hall for lunchtime and to replace and increase the number of available plates, tumblers, cutlery etc.

### **Public Benefit**

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

### **Strategic Report**

#### **Achievements and Performance and Key Performance Indicators**

The Achievements and Performance and KPI for 2013/14 are summarised in the Principal's Report above.

### **Going Concern**

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

### **Financial Review**

Most of the Academy's income is obtained from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2014 are shown as restricted funds in the statement of financial activities.

In the year, total income of £773,000 (2013: £4,050,000 for the 16 month period which includes £2,607,000 net donation of the school building and other assets from the predecessor school) was received and £805,000 (2013: £965,000) expenditure incurred.

Total ACMF funding for the year was £18,000 (2013: £469,000)

## **Financial Objectives**

The Academy's financial objectives are

- To ensure best value in respect of financial decisions, and
- To ensure that all resources are used to promote pupil achievement

## **Reserves Policy**

The governors aim to maintain free reserves to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. As at 31st August 2014, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £47,000.

## **Investment Policy**

The school's investment policy requires that the Business Manager monitors cash flow and the current account balance to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £50,000 and £90,000 is likely to be maintained and the school will normally seek to avoid its current account going overdrawn.

Funds surplus to immediate cash requirements should be transferred into a risk free Lloyds deposit account bearing a higher interest rate, for a fixed period generally no longer than 6 weeks. Periodically (at least annually) the Business Manager will review interest rates and compare with other investment opportunities.

Any change in Policy requires the approval of Governors via the Finance and Premises Committee.

During the period under review, this policy was followed. However, although reserves for the early part of the period did exceed the values above, this was due to the advance payment of funds related to the classroom extension which were required for draw down at agreed intervals during the project. As such, no long term investments were made, to ensure that funds would be available at each certification point.

## **Risk Management Objectives and Policies**

The Governors understand and have complied with their duty and have identified and reviewed the risks to which the Academy is likely to be exposed. They have ensured that appropriate controls are in place to provide reasonable assurance against fraud and error.

The Major Risks to which the Academy is likely to be exposed have been assessed, in particular those relating to teaching and learning, the provision of facilities, and all other operational aspects of the school and its finances. The Governors continue to monitor internal systems to assess risk faced by the school, both in operational (eg Health and Safety, Teaching and Learning, Behaviour and School Trips) and in relation to the control of Finances.

## **Principle Risks and Uncertainties**

A Risk Register is in place, which is subject to an annual review. In addition, a Business Continuity Plan is being developed. The highest risk items are identified and control procedures agreed by the Governing Body.

The Academy has an effective and robust system of internal controls in place working to the guidance of the Academies Financial Handbook including the following policies:

- Finance Manual (containing all policies relating to control of income and expenditure and procurement)
- Best Value Statement
- Depreciation Policy
- Write off of debt/disposal of equipment Policy

A Management Accounts report is provided to the Full Governing Body each month. The Finance Committee meets at least once per term to discuss the schools financial position in depth and, in turn, the Finance Committee briefs the Full Governing Body at the subsequent Trustees Meeting. The Governing Body has appointed a Responsible Officer, whose role is described in the Risk and Control Framework below.

A system is in place for backing up school data. During the year under review the Business Continuity Plan was rewritten and approved by Governors. This included a provision for the restoration of school data in the event of a critical incident and a improvement in the backup procedure that allows for data to be stored securely offsite on a daily basis. There is also a Fixed Asset Register and separate inventory for non-capital assets. These are reviewed on a regular basis.

Health and Safety inspections are carried out termly and Health & Safety risk assessments are carried out annually and reviewed regularly. Reports are submitted to the Finance and Premises Committee regularly.

The Governing Body strives to ensure that all Academy financial transactions and educational responsibilities are managed within stringent guidelines as set by all relevant authorities (eg DFE, EFA).

#### **Plans for Future Periods**

The plans for future periods are outlined in the Principal's report (above). The Academy will continue to maintain the high levels of performance of its pupils at all levels.

#### **Funds held as Custodian Trustee on behalf of others**

There are currently no funds held as Custodian Trustee or on the behalf of others.

**Auditor**

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on November 27<sup>th</sup> and signed on the board's behalf by:



.....

Mr Ian Banister

Chair of Governors

## By Brook Valley Academy Trust

### Governance Statement

#### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that By Brook Valley 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 By Brook Valley 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. Including the AGM, the board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Governors</b>	<b>Category</b>	<b>Appointed</b>	<b>Left</b>	<b>Meetings Attended</b>
Bev Ball - Headteacher	Trustee	01/05/2012		8 of 8
Ian Banister - Chair	Trustee	24/01/2013		8 of 8
Chris Draper	Member	12/09/2013		5 of 8
Bob Dutton	Trustee	01/05/2012	17/07/2014	4 of 8
David Else	Member	10/10/2013		5 of 5
Deb Henshall - Staff Governor	Trustee	01/05/2012		6 of 8
Anne Hilton	Member	10/10/2013		6 of 7
Lynne Lawton	Member	10/10/2013		4 of 7
Yvonne Towl - Vice Chair	Trustee	16/05/2012		8 of 8
Owen Upton	Member	01/05/2012		2 of 8
Nigel Warn	Trustee	01/05/2012	17/07/2014	8 of 8
Ian Workman	Trustee	01/05/2012		4 of 8
Sarah Evans	Trustee	01/05/2012		4 of 8
Elisabeth Ford	Member	23/01/2014		5 of 5
Martin Lowe	Member	27/03/2014		4 of 4
David New	Member	23/01/2014		2 of 5
Janet Fowley	Member	12/06/2014	17/07/2014	1 of 3



## **Governance Review**

As can be seen from the table above, the most significant change to the composition of the board of Trustees was that two Trustees resigned at the last Full Trustees Meeting of the period under review. This reduced the number of Trustees from 8 to 6. As mentioned in the Chairman's report, one challenge that has faced the board is that, while the number of governors has grown over the period, few of the currently serving board have more than 12 months experience in the role. The Chairman's report describes the steps taken to address this challenge, including the development of the induction process and the increase in support via additional meetings.

One way in which Governor performance has been reviewed continuously throughout the year is the inclusion of a standing item at the end of each sub-committee meeting requesting that the committee reviews and records the impact of the meeting and how the meeting has "added value". These discussions are included in minutes and fed back to Full Governing Body meetings. The impact of this has been to ensure a constant process of self-evaluation, and an improvement in the formal documentation of this process and the way in which it is fed back to the board.

The Chairman and Headteacher met with representatives of the Diocese of Bristol in September. One of the topics of conversation was a discussion on the governance of the school in relation to the academies articles of association – specifically the relationship/type and number of trustees/directors/members. Partly as a result of this meeting, the board is planning to meet in the latter part of 2014 to discuss the composition of the current board with a view to reviewing the existing governance structure.

## **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 By Brook Valley Trust for the period up 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 up 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 Governing Body
- Regular reviews by the Finance & Premises 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 (including asset purchasing or capital investment) guidelines
- Delegation of authority and segregation of duties and
- Identification and management of risks

In addition, the governors have considered the guidance for public listed companies contained within the Turnbull Report and have adopted these guidelines as best practice. Accordingly they have set policies on internal controls and compiled a risk register which covers the following:

- The type of risks the Academy faces
- The level of risks which they regard as acceptable
- The likelihood of risks materialising
- The Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise
- The costs of operating particular controls relative to the benefits obtained
- Embedded the control system into the Academy's operations so that it becomes part of the culture of the Academy
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- Included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being taken.

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 an accounting technician supplied by the Wiltshire Learning Trust as part of a bought in service as an external auditor, to perform additional checks.

This role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, these reports are submitted to the board of trustees, through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


## Review of Effectiveness

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

- The work of the independent external auditor provided by Wiltshire Learning Trust.
- The work of the School Business Manager who has responsibility for developing and maintaining the internal control framework.
- The recommendations following the audit of the school's Financial Management and Governance Self-assessment carried out by the Education Funding Agency in April 2013.
- The recommendations and comments made by the auditors of the Academy's financial statements in their management letter and reports.

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

This report was approved by order of the board of trustees on 27<sup>th</sup> November 2014 and signed on its behalf by:



.....  
Mr Ian Banister  
Chair of Governors



.....  
Mrs Bev Ball  
Accounting Officer

**By Brook Valley Academy Trust**

**Statement on Regularity, Propriety and Compliance**  
**for the Year Ended 31 August 2014**

As accounting officer of By Brook Valley Academy Trust I have considered my responsibility to notify the charitable company 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 charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.

B.M. Ball  
B Ball - Accounting Officer

Date: 27-11-14

**By Brook Valley Academy Trust**

**Statement of Trustees Responsibilities**  
**for the Year Ended 31 August 2014**

The trustees (who act as governors of By Brook Valley Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements 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 financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

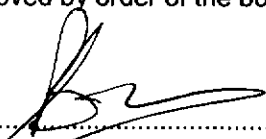
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 27/11/14 and signed on it's behalf by:

  
.....  
Mr Ian Banister - Trustee

**Report of the Independent Auditors to the Members of**  
**By Brook Valley Academy Trust**

We have audited the financial statements of By Brook Valley Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (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 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 set out on page twenty one, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared 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 Report of the Trustees, including the Strategic Report, 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**  
**By Brook Valley 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.

  
Steven Fraser (Senior Statutory Auditor)  
for and on behalf of Monahans  
Statutory Auditors  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: .....

9th December 2014

**Independent Reporting Accountant's Assurance Report on Regularity to  
By Brook Valley Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement 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 By Brook Valley Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of By Brook Valley Academy Trust's accounting officer and the reporting accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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 matter that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

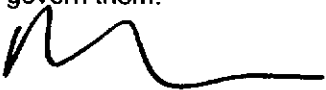
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2013 to 2014 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Governors.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks

**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 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.

  
Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire

SN1 3DR  
Date: 11th December 2014



**By Brook Valley Academy Trust**

**Statement of Financial Activities**  
**for the Year Ended 31 August 2014**

					Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000	Total funds £'000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	1	9	-	10	15
Voluntary income - Transfer from Local Authority on conversion		-	-	-	-	2,607
Activities for generating funds	3	9	-	-	9	28
<b>Incoming resources from charitable activities</b>						
Academy's educational operations	4	37	693	24	754	1,400
<b>Total incoming resources</b>		47	702	24	773	4,050
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Academy's educational operations		32	700	66	798	948
Governance costs	7	-	7	-	7	17
<b>Total resources expended</b>	5	32	707	66	805	965
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>						
		15	(5)	(42)	(32)	3,085
Gross transfers between funds	18	(78)	7	71	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		(63)	2	29	(32)	3,085
<b>Other recognised gains/losses</b>						
Actuarial gains/losses on defined benefit schemes		-	(33)	-	(33)	(14)
<b>Net movement in funds</b>		(63)	(31)	29	(65)	3,071

The notes form part of these financial statements

**By Brook Valley Academy Trust**

**Statement of Financial Activities - continued**  
**for the Year Ended 31 August 2014**

					Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000	Total funds £'000
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		110	(33)	2,994	3,071	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>47</u>	<u>(64)</u>	<u>3,023</u>	<u>3,006</u>	<u>3,071</u>

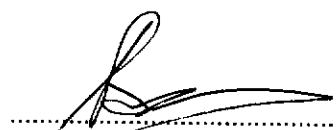
**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

**By Brook Valley Academy Trust**  
**Registered Company Number: 08020467 (England and Wales)**  
**Balance Sheet**  
**At 31 August 2014**

	Notes	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	3,023	2,606
<b>CURRENT ASSETS</b>			
Stocks	12	4	2
Debtors	13	32	342
Cash at bank and in hand		<u>82</u>	<u>223</u>
		118	567
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(65)</u>	<u>(69)</u>
<b>NET CURRENT ASSETS</b>		<u>53</u>	<u>498</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,076	3,104
<b>PENSION LIABILITY</b>	19	<u>(70)</u>	<u>(33)</u>
<b>NET ASSETS</b>		<u><u>3,006</u></u>	<u><u>3,071</u></u>
<b>FUNDS</b>	18		
Unrestricted funds		47	110
Restricted funds:			
Fixed asset funds		3,023	2,994
General funds		6	-
Pension reserve		<u>(70)</u>	<u>(33)</u>
Total restricted funds		<u>2,959</u>	<u>2,961</u>
<b>TOTAL FUNDS</b>		<u><u>3,006</u></u>	<u><u>3,071</u></u>

The financial statements were approved by the Board of Trustees on 27/11/14 and were signed on its behalf by:

  
 .....  
 Mr Ian Banister - Trustee

The notes form part of these financial statements

**By Brook Valley Academy Trust**

**Cash Flow Statement**  
**for the Year Ended 31 August 2014**

		Year Ended 31.8.14 £'000	Period 4.4.12 to 31.8.13 £'000
Net cash inflow/(outflow) from operating activities	Notes 21	315	(224)
Cash transferred on conversion to an academy		-	64
Capital expenditure and financial investment	22	(456)	383
(Decrease)/increase in cash in the period		<u>(141)</u>	<u>223</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	23		
(Decrease)/increase in cash in the period		<u>(141)</u>	<u>223</u>
Change in net debt resulting from cash flows		<u>(141)</u>	<u>223</u>
Movement in net debt in the period		(141)	223
Net debt at 1 September		<u>223</u>	<u>-</u>
Net debt at 31 August		<u>82</u>	<u>223</u>

The notes form part of these financial statements

**By Brook Valley Academy Trust**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

**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.

**Incoming resources**

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

**Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**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 are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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 Academy's policies.

**Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

These are costs incurred on the Academy's educational operations.

**Governance costs**

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

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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's depreciation policy.

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

Long leasehold buildings 50 years  
Property improvements 10 years  
Fixtures, fittings and equipment 3 years  
ICT equipment 3 years

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.

The leasehold land and buildings (being the school building) were transferred to the academy on a 125 year lease from Wiltshire Council. The property is included at the insurance valuation upon conversion. Other assets on transfer have been valued at cost when purchased shortly prior to the formation of the academy.

**Stocks**

Stock consists of purchased goods for resale including uniforms as well as other items held for future use. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**Taxation**

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

**Fund accounting**

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

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

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**1. ACCOUNTING POLICIES - continued**

**Pension benefits**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

**Leased assets**

Rentals under operating leases are charged on straight line basis over the lease term.

**2. VOLUNTARY INCOME**

			Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Donations	<u>1</u>	<u>9</u>	<u>10</u>	<u>15</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

			Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Hire of facilities	-	-	-	5
Other income	5	-	5	4
Consultancy	<u>4</u>	<u>-</u>	<u>4</u>	<u>19</u>
	<u>9</u>	<u>-</u>	<u>9</u>	<u>28</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	Year Ended 31.8.14 Total funds	Period 4.4.12 to 31.8.13 Total funds
	£'000	£'000	£'000	£'000
Grants	-	710	710	1,342
School trips	-	7	7	7
Afterschool club	33	-	33	37
Other income	<u>4</u>	<u>-</u>	<u>4</u>	<u>14</u>
	<u>37</u>	<u>717</u>	<u>754</u>	<u>1,400</u>

An analysis of grants received is given below:

	Unrestricted funds	Restricted funds	Year Ended 31.8.14 Total funds	Period 4.4.12 to 31.8.13 Total funds
	£'000	£'000	£'000	£'000
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	657	657	845
Other DfE/EFA grants	<u>-</u>	<u>27</u>	<u>27</u>	<u>8</u>
	-	684	684	853
<b>DfE/EFA capital grant</b>				
DfE/EFA capital grants	-	24	24	475
<b>Other government grant</b>				
Local authority grant	-	-	-	6
Special educational needs	<u>-</u>	<u>2</u>	<u>2</u>	<u>8</u>
	<u>-</u>	<u>2</u>	<u>2</u>	<u>14</u>
	<u>-</u>	<u>710</u>	<u>710</u>	<u>1,342</u>



**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**5. RESOURCES EXPENDED**

				Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Total £'000	Total £'000
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	477	39	30	546	694
Allocated support costs	<u>94</u>	<u>74</u>	<u>84</u>	<u>252</u>	<u>254</u>
	571	113	114	798	948
Governance costs including allocated support costs	-	-	7	7	17
	<u>571</u>	<u>113</u>	<u>121</u>	<u>805</u>	<u>965</u>

Net resources are stated after charging/(crediting):

	Year Ended 31.8.14 £'000	Period 4.4.12 to 31.8.13 £'000
Auditors' remuneration	5	5
Auditors' remuneration for non-audit work	2	4
Depreciation - owned assets	63	56
Operating leases - equipment	<u>1</u>	<u>-</u>

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

	Total	Individual items above £5,000 Amount	Reason
Ex-gratia/compensation payments	-	-	-
Gifts made by the trust	-	-	-
Fixed asset losses	-	-	-
Stock losses	-	-	-
Unrecoverable debts	-	-	-
Cash losses	-	-	-

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES**

			Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
<b>Direct costs - academy's educational operations</b>				
Teaching and educational support staff	3	474	477	594
Depreciation	-	4	4	52
Technology costs	-	18	18	6
Educational supplies	3	37	40	33
Staff development	-	6	6	8
Educational consultancy	-	1	1	1
	<u>6</u>	<u>540</u>	<u>546</u>	<u>694</u>
<b>Allocated support costs - academy's educational operations</b>				
Support staff costs	21	73	94	110
Depreciation	-	59	59	4
Technology costs	-	4	4	26
Recruitment and support	-	3	3	10
Maintenance of premises and equipment	-	16	16	21
Cleaning	-	21	21	21
Rent and rates	-	3	3	5
Energy costs	-	17	17	14
Insurance	-	17	17	14
Catering	5	3	8	5
Other support costs	-	10	10	24
	<u>26</u>	<u>226</u>	<u>252</u>	<u>254</u>
	<u>32</u>	<u>766</u>	<u>798</u>	<u>948</u>

**7. GOVERNANCE COSTS**

			Year Ended 31.8.14	Period 4.4.12 to 31.8.13
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Auditors' remuneration	-	5	5	5
Auditors' remuneration for non-audit work	-	2	2	4
Legal fees	-	-	-	8
	<u>-</u>	<u>7</u>	<u>7</u>	<u>17</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**8. TRUSTEES' REMUNERATION AND BENEFITS**

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. The value of trustees' remuneration was as follows:

	Gross salary	Employer's pension contributions	Total	2013 (16 month period)
B Ball (principal and trustee):	£60k - £65k	£5k - £10k	£70k - £75k	£85k - £90k
D Hensall (staff trustee):	£30k - £35k	£0k - £5k	£35k - £40k	£45k - £50k

**Trustees' expenses**

During the year ended 31 August 2014, travel and subsistence expenses totalling £nil (2013 - £Nil) were reimbursed to nil trustees (2013 - Nil). Related party transactions involving the trustees are set out in note 20.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**9. STAFF COSTS**

	Year Ended 31.8.14 £'000	Period 4.4.12 to 31.8.13 £'000
Wages and salaries	460	563
Social security costs	27	35
Other pension costs	<u>74</u>	<u>84</u>
	561	682
Supply teacher costs	<u>10</u>	<u>22</u>
	<u>571</u>	<u>704</u>

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

	Year Ended 31.8.14	Period 4.4.12 to 31.8.13
Teachers	5	6
Administration and support	7	7
Management	<u>3</u>	<u>3</u>
	<u>15</u>	<u>16</u>

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

	Year Ended 31.8.14	Period 4.4.12 to 31.8.13
£60,001 - £70,000	<u>1</u>	<u>-</u>

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for this staff member amounted to £9,000. No employees received emoluments in excess of £60,000 in the period ended 31 August 2013.

The average number of persons employed by the Academy during the year was:

	2014 Number	2013 Number
Teachers	7	7
Administration and support	13	14
Management	<u>3</u>	<u>3</u>
	<u>23</u>	<u>24</u>

There were no staff restructuring costs and no non-statutory / non-contractual severance payments.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,000 (2013: £1,000). The cost of this insurance is included in the total insurance cost.

**11. TANGIBLE FIXED ASSETS**

	Assets under construction £'000	Long leasehold £'000	Improvement s to property £'000
<b>COST</b>			
At 1 September 2013	81	2,561	9
Additions	-	-	476
Transfers	(81)	-	81
At 31 August 2014	-	2,561	566
<b>DEPRECIATION</b>			
At 1 September 2013	-	52	-
Charge for year	-	39	20
At 31 August 2014	-	91	20
<b>NET BOOK VALUE</b>			
At 31 August 2014	-	2,470	546
At 31 August 2013	81	2,509	9
	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>			
At 1 September 2013	8	3	2,662
Additions	4	-	480
Transfers	-	-	-
At 31 August 2014	12	3	3,142
<b>DEPRECIATION</b>			
At 1 September 2013	2	2	56
Charge for year	3	1	63
At 31 August 2014	5	3	119
<b>NET BOOK VALUE</b>			
At 31 August 2014	7	-	3,023
At 31 August 2013	6	1	2,606

Included in Leasehold land and buildings is land of £601,000 (2013: £601,000) which is not depreciated.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**12. STOCKS**

	2014	2013
	£'000	£'000
Oil	3	1
Uniforms	<u>1</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>2</u></u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£'000	£'000
Trade debtors	2	3
VAT	15	-
Prepayments and accrued income	<u>15</u>	<u>339</u>
	<u><u>32</u></u>	<u><u>342</u></u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£'000	£'000
Trade creditors	-	3
Social security and other taxes	9	9
Accrued expenses	<u>56</u>	<u>57</u>
	<u><u>65</u></u>	<u><u>69</u></u>

Deferred income

	£'000
Deferred income at 1 September 2013	1
Resources deferred in the year	22
Amounts released from previous years	<u>(1)</u>
Deferred Income at 31 August 2014	<u><u>22</u></u>

**15. OPERATING LEASE COMMITMENTS**

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

	Other operating leases	
	2014	2013
	£'000	£'000
Expiring:		
Between one and five years	<u>1</u>	<u>1</u>

**16. 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.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total 2014 funds £'000	Total 2013 funds £'000
Fixed assets	-	-	3,023	3,023	2,606
Current assets	47	71	-	118	567
Current liabilities	-	(65)	-	(65)	(69)
Pension liability	-	(70)	-	(70)	(33)
	<u>47</u>	<u>(64)</u>	<u>3,023</u>	<u>3,006</u>	<u>3,071</u>

**18. MOVEMENT IN FUNDS**

	At 1.9.13 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.14 £'000
<b>Unrestricted funds</b>				
Unrestricted fund	110	15	(78)	47
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	475	4	-	479
Fixed assets purchased from GAG	4	(3)	71	72
Fixed assets on conversion	2,509	(40)	-	2,469
Other capital grants	<u>6</u>	<u>(3)</u>	<u>-</u>	<u>3</u>
	2,994	(40)	71	3,023
<b>Restricted general funds</b>				
General Annual Grant (GAG)	-	(7)	7	-
DfE/EFA grants	-	6	-	6
Pension fund	<u>(33)</u>	<u>(37)</u>	<u>-</u>	<u>(70)</u>
	(33)	(38)	7	(64)
Total restricted funds	2,961	(80)	78	2,959
<b>TOTAL FUNDS</b>	<u>3,071</u>	<u>(65)</u>	<u>-</u>	<u>3,006</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**18. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
Unrestricted fund	47	(32)	-	15
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	24	(19)	-	4
Fixed assets purchased from GAG	-	(4)	-	(3)
Fixed assets on conversion	-	(40)	-	(40)
Other capital grants	-	(3)	-	(3)
	24	(66)	-	(42)
<b>Restricted general funds</b>				
General Annual Grant (GAG)	656	(663)	-	(7)
DfE/EFA grants	28	(22)	-	6
Other government grants	2	(2)	-	-
Other restricted income	16	(16)	-	-
Pension fund	-	(4)	(33)	(37)
	702	(707)	(33)	(38)
<b>Total restricted funds</b>	726	(773)	(33)	(80)
<b>TOTAL FUNDS</b>	<u>773</u>	<u>(805)</u>	<u>(33)</u>	<u>(65)</u>

General Annual Grant - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. 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.

Other DfE/EFA grants - these include the pupil premium which is used to assist pupils from low income families and PE sports grant to fund improvements to the provision of PE and sports for primary pupils.

Other government grants - this is the special educational needs funding from Wiltshire County Council.

Other income - this is the monies received and expended on school trips plus donations received that are restricted.

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

DfE/EFA capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Other capital grants/donations - this represents the donation received for the purchase of fixed assets.

Fixed assets on conversion - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

The following transfers have been made in the year:

£71,000 transferred from the 'GAG' to 'Capital expenditure from GAG' being the cost of capital additions in the period funded by the GAG.

£78,000 transferred from unrestricted funds to the GAG to cover the GAG deficit in the year.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**19. PENSION AND SIMILAR OBLIGATIONS**

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 Wiltshire Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Teachers' pension scheme**

**Introduction**

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

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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

**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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

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% basis.

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

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

**Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £32,000, of which employer's contributions totalled £25,000 and employees' contributions totalled £7,000. The agreed contribution rates for future years are 17.9% for employers and 5.5 - 7.5% for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£'000	£'000
Present value of funded obligations	(219)	(134)
Fair value of plan assets	<u>149</u>	<u>101</u>
	<u>(70)</u>	<u>(33)</u>
Deficit	<u>(70)</u>	<u>(33)</u>
Liability	<u>(70)</u>	<u>(33)</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2014	2013
	£'000	£'000
Current service cost	29	27
Interest cost	7	6
Expected return	<u>(7)</u>	<u>(5)</u>
	<u>29</u>	<u>28</u>
 Actual return on plan assets	 <u>18</u>	 <u>10</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £47,000 loss (2013 - £14,000 loss).

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	2014	2013
	£'000	£'000
Defined benefit obligation	(134)	(73)
Current service cost	(29)	(27)
Contributions by scheme participants	(7)	(9)
Interest cost	(7)	(6)
Actuarial losses/(gains)	<u>(42)</u>	<u>(19)</u>
	<u>(219)</u>	<u>(134)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£'000	£'000
Fair value of scheme assets	101	52
Contributions by employer	25	30
Contributions by scheme participants	7	9
Expected return	7	5
Actuarial gains/(losses)	<u>9</u>	<u>5</u>
	<u>149</u>	<u>101</u>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£'000	£'000
Equities	106	73
Bonds	25	15
Property	15	10
Cash	<u>3</u>	<u>3</u>
	<u>149</u>	<u>101</u>

The expected return on assets were:

	at 31 August 2014	at 31 August 2013
	% p.a.	% p.a.
Equities	6.3%	6.6%
Bonds	3.4%	4.1%
Property	4.5%	4.7%
Cash	3.3%	3.6%

The expected return on assets is based on the long-term future expected investment return for each asset class.

The estimated value of employer contributions for the year ended 31 August 2015 is £27,000.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2014	2013
Discount rate	3.7%	4.6%
Future salary increases*	4.5%	5.1%
Future pension increases	2.7%	2.8%
Inflation (CPI)	2.9%	2%

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

	At 31 August 2014	At 31 August 2013
Current pensioners		
Males	22.3 years	21.3 years
Females	24.5 years	23.6 years
Future pensioners*		
Males	24.1 years	23.3 years
Females	26.9 years	25.5 years

\* Figures assume members aged 45 as at the last formal valuation date.

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

Amounts for the current and previous period are as follows:

	2014	2013
	£'000	£'000
<b>Defined benefit pension plans</b>		
Defined benefit obligation	(219)	(134)
Fair value of scheme assets	149	101
Deficit	(70)	(33)
Experience adjustments on scheme liabilities	4	-
Experience adjustments on scheme assets	9	5

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

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumption at 31 August 2014		
0.5% decrease in Real Discount Rate	17%	37
1 year increase in member life expectancy	3%	7
0.5% increase in the Salary Increase Rate	9%	20
0.5% increase in the Pension Increase Rate	6%	15

**20. 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, transactions may take place with organisations in which the trust has an interest.

All transactions involving such organisations are conducted at arm's length / conducted at cost (from 7 November 2013) and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

The following related party transactions took place in the period of account:

B Ball, the head teacher and governor, received £2,528 (2013: £3,000) in the period for commission on consultancy services provided to other schools.

**21. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	Year Ended 31.8.14 £'000	Period 4.4.12 to 31.8.13 £'000
Net (outgoing)\incoming resources	(32)	3,085
Depreciation charges	63	56
Capital grants from DfE/EFA	(24)	(475)
Transfer from Local Authority on conversion	-	(2,608)
FRS 17 pension finance income	4	4
Other capital grants	-	(8)
Increase in stocks	(2)	(2)
Decrease/(increase) in debtors	310	(342)
(Decrease)/increase in creditors	(4)	69
Difference between pension charge and cash contributions	-	(3)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>315</b>	<b>(224)</b>

**By Brook Valley Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2014**

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

	Year Ended 31.8.14 £'000	Period 4.4.12 to 31.8.13 £'000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(480)	(100)
Capital grants from DfE/EFA	24	475
Other capital grants	<u>-</u>	<u>8</u>
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<u>(456)</u>	<u>383</u>

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

	At 1.9.13 £'000	Cash flow £'000	At 31.8.14 £'000
Net cash:			
Cash at bank and in hand	223	(141)	82
	<u>223</u>	<u>(141)</u>	<u>82</u>
<b>Total</b>	<u>223</u>	<u>(141)</u>	<u>82</u>