
BEECROFT ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

BEECROFT ACADEMY
(A company limited by guarantee)

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BEECROFT ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

Members

Noel Hempstead
Morfydd Fowler
David Falberg¹
Samantha Dutnall

Trustees

Adam Haywood, Head Teacher (appointed 20th September 2013)¹
Morfydd Fowler, Chair of Governors (appointed 1st November 2013)
Noel Hempstead, Vice Chair (appointed 1st November 2013)¹
Maxine Boyle (appointed 1st November 2013)¹
David Falberg (appointed 1st November 2013)
Samantha Dutnall (appointed 1st November 2013)
Victoria Flack (appointed 1st November 2013)
Rachel Whitelock (appointed 1st November 2013)
Veronica Reavey, Staff Governor (appointed 1st November 2013)¹
Samantha Potter, Staff Governor (appointed 1st November 2013)¹
Rachael Clark, Staff Governor (appointed 1st November 2013)¹
David Fraser (appointed 1st November 2013)¹
Nicola Berchielli (appointed 1st November 2013, resigned 1st September 2014)
Alexsander Folga (appointed 1st November 2013, resigned 1st September 2014)
Rebecca Baker (appointed 1st November 2013, resigned 1st September 2014)
James Braddon, Staff Governor (appointed 1st November 2013, resigned 1st September 2014)
Michelle Hart, Staff Governor (appointed 1st September 2014)
Lynn Money (appointed 1st September 2014)

¹ Members of resources committee

Company registered number

08699391

Principal and registered office

Westfield Drive
Dunstable
Bedfordshire
LU6 1DW

Senior management team

Adam Haywood, Head Teacher
Christine Jenkins, Acting Deputy Head Teacher / KS1 Leader
Fiona Loudon, KS2 Leader
Rosie Wilsher, Early Years Leader
Louise Peirce, Literacy Coordinator
Samantha Potter, SENCo
Kate Woodman, Maths Coordinator

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

Administrative details (continued)

Independent auditors

Streets Audit LLP
Chartered Accountants and Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Bankers

Natwest Bank Plc
Leicester Customer Service Centre
Bede House
11 Western Boulevard
Leicester
LE2 7EJ

Solicitors

Michelmores Solicitors
Woodwater House
Pynes Hill
Exeter
Devon
EX2 5WR

BEECROFT ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31ST AUGUST 2014

The governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Beecroft Academy (the Academy) for the period ended 31st August 2014. The governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The academy operates for pupils aged between 4 and 9 serving a catchment area in north Dunstable. It has a pupil capacity of 300 and had a roll of 251 in the school census on January 2014.

Structure, governance and management

a. CONSTITUTION

Beecroft Academy was incorporated on 20 September 2013 and opened as an Academy on 1 November 2014. The academy is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy, dated 20 September 2013.

The governors act as trustees for the charitable activities of Beecroft Academy and are also the directors of the charitable company for the purpose of company law. The charitable company is known as Beecroft Lower School.

Details of the governors who served during the year are included in the Reference and Administrative Details on Page 1.

b. 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.

c. GOVERNORS' INDEMNITIES

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, error or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The governors are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The Members of the Academy trust are comprised of -

- The chair of governors
- The vice chair of governors
- The chair of the resources committee (if different from above)
- Any persons appointed by the members

There will always be a minimum of three Members.

BEECROFT ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31ST AUGUST 2014

Governors' term of office is four years but they are eligible for re election at the meeting at which they retire. At the first meeting of each year the governors will elect a Chair and a Vice Chair.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The training and induction provided for new governors will depend upon their existing experience and knowledge of the Academy and would always include the opportunity of a tour of the Academy and an opportunity to meet staff and pupils. All governors are signposted to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Governors are encouraged to participate in specific courses offered by the Local Authority and to use on-line courses.

f. ORGANISATIONAL STRUCTURE

The Board of Governors meets once per term, but extra meetings can be called for specific purposes. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of the Board and committees and other groups. It receives reports from its committees and policies for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks.

There are three sub-committees as follows,

- Resources Committee - this meets three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and approving the annual budget including and staffing levels. It also deals with personnel, premises and health and safety matters. Members of this committee are also responsible for approving payments by the finance officer for invoices between £1,000 and £10,000.
- School Improvement Committee - this meets three times a year and is responsible for evaluating and reviewing Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and pastoral issues.
- Data group – this meets three times a year and is responsible for looking in detail at the analysis of the data, identifying the strengths and areas of development for the school and challenging the headteacher about actions taken in response to the findings.

The following decisions are reserved to the Board of Governors, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the governors, to approve the School Development Plan and budget. The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments. Governors are responsible for approving payment by the finance manager of payments over £1,000.

The governors and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team.

The Head Teacher is the Accounting Officer.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy is responsible for the management of the Dunstable North (The Beehive) SureStart Children's Centre. This is funded by the Local Authority and although their finances are reported in the Academy accounts the monies are managed separately.

BEECROFT ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31ST AUGUST 2014

Objectives and Activities

a. VISION STATEMENT OF BEECROFT ACADEMY

'Achieving Excellence Together'

Beecroft Academy aims to be a place whereby children who attend are served in a nurturing and value driven manner, in order for every aspect of their potential to be recognised and fulfilled. Our desire is for children (and staff) to be part of a school for which they feel pride and excitement– one which cares for each member much like a family.

Through their time here at Beecroft Academy, we hope that children will learn

- A set of moral and spiritual values
- A core set of skills, such as reading, writing, mathematics, physical, scientific and artistic
- A hunger to better themselves and persevere
- A high sense of self- esteem and an understanding of their own value as individuals
- A tolerance and respect for all regardless of gender, religion or ethnicity
- To be confident and successful learners

In order for this to be achieved, we at Beecroft Academy strive to offer outstanding and inspirational teaching, through skilled and constantly learning practitioners, who view the children's academic and personal, social, social and moral well- being as the priority.

All the staff endeavours to make Beecroft Academy a safe and secure environment, both with regards to the building and the grounds and also with the systems and the environment for which the children learn in.

We also recognise that teamwork and positive partnerships - with individual children, the whole class, colleagues, governors, parents and the wider community are integral to fulfilling our vision and values and we work incredibly hard to ensure that these partnerships are healthy and productive.

At Beecroft Academy, our principles are that this is one family together, united in the goal to see excellence achieved together.

b. PUBLIC BENEFIT

The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties.

The Academy provides facilities for community users for the community at large. At present the school hosts a dance class, a football club and Hope Church run for and by the community. The Beehive Children's Centre provides a range of activities to support the local community.

As an Academy we have a duty to support other schools. We work closely with other local primary academies and are currently exploring links between ourselves and local middle and upper schools.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31ST AUGUST 2014

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The achievement and progress of the pupils is considered 'good'

During its first period the Academy has raised the attainment levels. The school has 44.6% of children entitled to free school meals. The children enter the Academy in Yr R at a level which is significantly below that of national average (NA). Children make good progress throughout their time and by the time they leave KS1 they have achieved roughly in line with NA for Reading, Writing and Maths. For Reading and Maths this is above the NARE of 15.5. When the children leave the school at the end of Year Four they are slightly above NA.

In 2013 the phonics screening check showed that 58% of children were working at or exceeded expected levels. This had increased to 73% in 2014.

The children in Year Four achieved the Highest APS we have achieved as a school over a 4 year period.

To ensure that standards are improving year on year the Academy operates a programme of target setting, curriculum monitoring and review that feed into the Academy Development Plan. The performance of the children is monitored in great detail and a variety of strategies to support both the academic, social and emotional development of the children are put in place. The Academy also ensures that there are opportunities to share good practice and receive good CPD matched to the needs of staff and the objectives of the Academy.

b. GOING CONCERN

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

Financial review

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the 10 months ended 31 August 2014 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2014, total expenditure was more than covered by recurrent grant funding from the DfE together with other incoming resources. £200,000 of the surplus has been ring-fenced to finance the conversion to Primary Status.

a. RESERVES POLICY

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. The Trustees aim is to set aside reserves of at least £200,000 to cover the costs of conversion to Primary Status.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31ST AUGUST 2014

b. INVESTMENT POLICY

When we are in a position to do so the Finance Manager will begin discussions with the Academy Bank Manager regarding cash flow and investment opportunities and will make recommendations to governors on investment proposals

c. PRINCIPAL RISKS AND UNCERTAINTIES

Income

As the Academy has one main funder, being the DfE, there is reliance on this funding remaining at a level sufficient to cover the financial requirements of the Academy. This is outside the control of the Academy.

Pupil numbers

As the DfE funding is based on pupil numbers, the Academy is reliant on the demographics of the catchment area and parental preference, although the prediction is for pupil numbers to significantly rise, due to new building, over the next few years.

Risk of fraud/mismanagement

The Responsible Officer (RO) carries out checks on financial systems and records as required by the Academy Financial Handbook, and reports back to the resources committee at least 3 times a year. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Cashflow risk

The Academy currently considers that it has sufficient cash reserves for normal day to day operations.

Plans for future periods

The Academy will continue striving to provide outstanding education and improve the levels of performance of its children at all levels. The Academy aims to augment our links with other schools locally with the aim to provide a continuous education journey for children from age 4 to 18.

Future periods will see the Academy achieving Primary Status. This is an extremely exciting development for the Academy. This will build upon the many years of good work provided by the school. The next period will see an intense phase of construction work for the new entrance area and classrooms, with the timeline aimed at a September 2015 opening date.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

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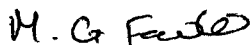
GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31ST AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are governors at the time when this Governors' report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

This report was approved by order of the board of governors on 16 December 2014 and signed on the board's behalf by



Mrs M Fowler
Chair of Trustees

BEECROFT ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Beecroft Academy 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 governors has delegated the day-to-day responsibility to the Head Teacher, 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 Beecroft Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The board of governors has formally met 4 times during the period. Attendance during the period at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Adam Haywood, Head Teacher	3	3
Morfydd Fowler, Chair of Governors	4	4
Noel Hempstead, Vice Chair	4	4
Maxine Boyle	3	4
David Falberg	3	4
Samantha Dutnall	4	4
Victoria Flack	4	4
Rachel Whitelock	4	4
Veronica Reavey, Staff Governor	3	4
Samantha Potter, Staff Governor	4	4
Rachael Clark, Staff Governor	1	4
David Fraser	3	4
Nicola Berchielli	0	4
Alexsander Folga	0	4
Rebecca Baker	2	4
James Braddon, Staff Governor	1	4

Challenges

Governors who are single parents have had difficulty in attending meetings due to child care issues.

Governance reviews

Governors undertook a self evaluation about their knowledge of the academy and knowledge of the role of governors and trustees. They were asked to identify strengths, areas for development and actions that have been taken or should be taken for both these areas.

Training for governors was identified as a need. At the last meeting governors were encouraged to sign up for courses organized by the LA or to work through on-line course. They will report back at the next meeting. Training will be part of meeting, when time allows.

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GOVERNANCE STATEMENT (continued)

The Resource Committee is a sub-committee of the main board of governors. Its purpose is to be responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and approving the annual budget including and staffing levels. It also deals with personnel, premises and health and safety matters. Members of this committee are also responsible for approving payments by the finance manager for invoices between £1,000 and £10,000.

The main items for the reporting year have been the monitoring of the income and expenditure against budget. The reports of the responsible officer have been accepted. The training of the finance manager on 'Sage' has also been monitored.

During the year R Potter, who is a qualified accountant, joined the committee.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Adam Haywood, Head Teacher	3	3
Noel Hempstead, Vice Chair	3	3
Maxine Boyle	3	3
David Falberg	2	3
Veronica Reavey, Staff Governor	2	3
David Fraser	3	3
Rachael Clark, Staff Governor	0	3
Samantha Potter, Staff Governor	2	3

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Beecroft Academy for the period 20th September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 20th September 2013 to 31st 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 governors.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

The Academy'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 governors,
- regular reviews by the resource committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Morfydd Fowler, a Governor, as Responsible Officer (RO)

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the Responsible Officer reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

The RO reported to the resources committee termly. The resources committee will continue to closely monitor the work of the Finance Manager, to ensure that recommended actions are taken promptly.

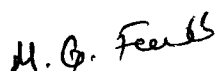
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of governors on 16 December 2014 and signed on its behalf, by



Mrs M Fowler
Chair of Trustees



Mr A Haywood
Accounting Officer

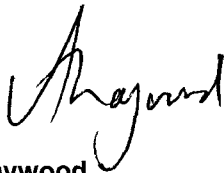
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Beecroft Academy I have considered my responsibility to notify the Academy board of governors 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013)

I confirm that I and the Academy board of governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013)

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 governors and EFA



Mr A Haywood
Accounting Officer

Date 16 December 2014

BEECROFT ACADEMY
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31ST AUGUST 2014

The Governors (who act as trustees of Beecroft Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to

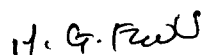
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

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

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

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

Approved by order of the members of the board of governors on 16 December 2014 and signed on its behalf by



Mrs M Fowler
Chair of Trustees

BEECROFT ACADEMY
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BEECROFT ACADEMY

We have audited the financial statements of Beecroft Academy for the period ended 31st August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's 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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BEECROFT ACADEMY

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 Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

However, only partial disclosure has been made in respect on Governors' remuneration (note 14)



Martin Leafe (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants and Statutory Auditors
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date 17 December 2014

BEECROFT ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BEECROFT ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 September 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 Beecroft Academy during the period 20th September 2013 to 31st 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 Beecroft Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beecroft Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beecroft Academy and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BEECROFT ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

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

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BEECROFT ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BEECROFT
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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



Martin Leafe

Streets Audit LLP

Chartered Accountants and Statutory Auditors
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date 17 December 2014

BEECROFT ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31ST AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Assets on conversion	3	266,041	(122,000)	1,595,000	1,739,041
Donations	3	406	-	-	406
Activities for generating funds	4	5,884	-	-	5,884
Investment income	5	472	-	-	472
Incoming resources from charitable activities		4,079	1,243,367	2,810	1,250,256
TOTAL INCOMING RESOURCES		276,882	1,121,367	1,597,810	2,996,059
RESOURCES EXPENDED					
Charitable activities		5,363	1,149,653	14,469	1,169,485
Governance costs	10	-	25,443	-	25,443
TOTAL RESOURCES EXPENDED	8	5,363	1,175,096	14,469	1,194,928
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		271,519	(53,729)	1,583,341	1,801,131
Transfers between Funds	20	(23,401)	2,601	20,800	-
NET INCOME FOR THE PERIOD		248,118	(51,128)	1,604,141	1,801,131
Actuarial gains and losses on defined benefit pension schemes		-	(64,000)	-	(64,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		248,118	(115,128)	1,604,141	1,737,131
Total funds at 20th September 2013		-	-	-	-
TOTAL FUNDS AT 31ST AUGUST 2014		248,118	(115,128)	1,604,141	1,737,131

All of the academy's activities derive from acquisitions in the current financial period

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

The notes on pages 21 to 41 form part of these financial statements

BEECROFT ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08699391

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	16		1,604,141
CURRENT ASSETS			
Stocks	17	11,238	
Debtors	18	110,038	
Cash at bank and in hand		261,701	
		<u>382,977</u>	
CREDITORS: amounts falling due within one year	19	(56,987)	
NET CURRENT ASSETS			<u>325,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,930,131
Defined benefit pension scheme liability	25		(193,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>1,737,131</u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	20	77,872	
Restricted fixed asset funds	20	1,604,141	
Restricted funds excluding pension liability		1,682,013	
Pension reserve		(193,000)	
Total restricted funds			1,489,013
Unrestricted funds	20		248,118
TOTAL FUNDS			<u>1,737,131</u>

The financial statements were approved by the Governors, and authorised for issue, on 16 December 2014 and are signed on their behalf, by

M-G. Fowler

Mrs M Fowler
Chair of Trustees

A Haywood

Mr A Haywood
Head Teacher

The notes on pages 21 to 41 form part of these financial statements

BEECROFT ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST AUGUST 2014

	Note	2014 £
Net cash flow from operating activities	22	18,798
Returns on investments and servicing of finance	23	472
Capital expenditure and financial investment	23	(23,610)
Cash transferred on conversion to an academy trust	2	266,041
INCREASE IN CASH IN THE PERIOD		261,701

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

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

	2014 £
Increase in cash in the period	261,701
MOVEMENT IN NET FUNDS IN THE PERIOD	261,701
NET FUNDS AT 31ST AUGUST 2014	261,701

The notes on pages 21 to 41 form part of these financial statements

BEECROFT ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Accounting Period

The academy was incorporated on 20 September 2013, and began its charitable activities on 1 November 2013. These accounts report the activities for the 10 month period from 1 November 2013 to 31 August 2014.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.3 Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.4 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 Governors.

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

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

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

BEECROFT ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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

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

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

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

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

1.6 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

BEECROFT ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised

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

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% per annum straight line
Plant and machinery	-	20% per annum straight line
Computer equipment	-	20% per annum straight line

1.9 Operating leases

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

1.10 Stocks

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

1.11 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.

BEECROFT ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

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

1.13 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 accounting method

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

Further details of the transaction are set out in note 2

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

2. CONVERSION TO AN ACADEMY TRUST

On 1 November 2013 Beecroft Lower School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Beecroft Academy from Central Bedfordshire Council 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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold buildings	-	-	1,595,000	1,595,000
Budget surplus on LA funds	266,041	-	-	266,041
LGPS pension (deficit)	-	(122,000)	-	(122,000)
Net assets/(liabilities)	<u>266,041</u>	<u>(122,000)</u>	<u>1,595,000</u>	<u>1,739,041</u>

The premises at Beecroft Lower School remain under the ownership of Central Bedfordshire Council. They are used by the academy under the terms of a long lease which transfers the benefits of ownership to the trust. At 31 March 2014 the EFA valued the leasehold buildings at £1,595,000 and the land at £547,000. The buildings have been recognised as assets transferred on conversion in these financial statements and will be depreciated over the remaining useful life of 50 years. The land has not been included as it is not considered to have a value to the academy.

The above net assets include £266,041 that were transferred as cash.

3. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Assets on conversion	<u>266,041</u>	<u>1,473,000</u>	<u>1,739,041</u>
Donations	<u>406</u>	<u>-</u>	<u>406</u>
Voluntary income	<u>266,447</u>	<u>1,473,000</u>	<u>1,739,447</u>

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Hire of facilities	5,884	-	5,884
	<u>5,884</u>	<u>-</u>	<u>5,884</u>

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Bank interest received	472	-	472
	<u>472</u>	<u>-</u>	<u>472</u>

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

6. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
DfE / EFA REVENUE GRANTS			
General Annual Grant	-	815,719	815,719
Start Up Grant	-	25,000	25,000
Other DfE / EFA Grants	-	110,912	110,912
	-	951,631	951,631
OTHER GOVERNMENT GRANTS			
Local Authority Grants	-	22,786	22,786
Childrens Centre	-	241,029	241,029
	-	263,815	263,815
OTHER INCOME			
Catering	-	13,710	13,710
Shop	-	2,876	2,876
Before/After School clubs	-	9,103	9,103
Children Centre - private funding	-	4,065	4,065
School Trips	4,079	-	4,079
Other Income	-	977	977
	4,079	30,731	34,810
Total	4,079	1,246,177	1,250,256

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

7. CHARITABLE ACTIVITIES

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS			
Wages and salaries	-	583,281	583,281
National insurance	-	34,725	34,725
Pension cost	-	87,085	87,085
Educational supplies	-	63,306	63,306
Staff development	-	20,916	20,916
Educational consultancy	-	11,776	11,776
	-	801,089	801,089
SUPPORT COSTS - EDUCATIONAL OPERATIONS			
Wages and salaries	-	136,572	136,572
National insurance	-	5,914	5,914
Pension costs	-	20,123	20,123
Depreciation	-	14,469	14,469
Pension income	-	2,000	2,000
Insurance	-	11,987	11,987
Other support costs	-	43,574	43,574
Technology costs	-	13,743	13,743
Catering	-	55,968	55,968
Heat and light	-	18,496	18,496
Rent and rates	-	13,138	13,138
Cleaning costs	-	4,919	4,919
Repairs and maintenance costs	-	24,791	24,791
Staff development	-	2,702	2,702
	-	368,396	368,396
Total	-	1,169,485	1,169,485

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

8. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total
	2014	2014	2014
	£	£	£
Academy's educational operations	559,561	97,290	656,851
Children centre	145,530	708	146,238
Support costs - Academy's educational operations	162,609	182,803	345,412
Support costs - Children centre	-	20,984	20,984
Charitable activities	867,700	301,785	1,169,485
Governance	-	25,443	25,443
	867,700	327,228	1,194,928

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total
	2014	2014	2014
	£	£	£
Academy's educational operations	656,851	345,412	1,002,263
Children centre	146,238	20,984	167,222
Total	803,089	366,396	1,169,485

10. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds
	2014	2014	2014
	£	£	£
Governance legal fees	-	18,593	18,593
Governance Auditors' remuneration	-	5,500	5,500
Governance Auditors' non audit costs	-	1,350	1,350
	-	25,443	25,443

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging

	2014 £
Depreciation of tangible fixed assets - owned by the charity	14,469
Auditors' remuneration	5,500
Governance legal fees	18,593

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31st August 2014 was £325. The cost of this insurance is included in the total insurance cost.

13. STAFF

a. Staff costs

Staff costs were as follows

	2014 £
Wages and salaries	713,508
Social security costs	40,639
Other pension costs (Note 25)	107,208
Supply teacher costs (net of insurance claims)	861,355
	6,345

BEECROFT ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014

13. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows

	2014 No.
Management	1
Teaching staff	14
Administration and support	28
	43

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period

14. GOVERNORS' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 5 Governors in respect of defined benefit pension schemes

During the period, no Governors received any benefits in kind

During the period, no Governors received any reimbursement of expenses

There are 5 governors who are also staff members who were paid a total of £106,372 (10 month period)
This remuneration was in respect of their employment as members of the academy's staff and not in respect of their services as governors

15. OTHER FINANCE INCOME

	2014 £
Expected return on pension scheme assets	8,000
Interest on pension scheme liabilities	(10,000)
	(2,000)

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 20th September 2013	-	-	-	-
Additions	-	2,711	20,899	23,610
Assets transferred on conversion	1,595,000	-	-	1,595,000
At 31st August 2014	1,595,000	2,711	20,899	1,618,610
Depreciation				
At 20th September 2013	-	-	-	-
Charge for the period	13,292	45	1,132	14,469
At 31st August 2014	13,292	45	1,132	14,469
Net book value				
At 31st August 2014	1,581,708	2,666	19,767	1,604,141

17. STOCKS

	2014 £
Heating oil	5,596
Educational supplies	5,642
	<u>11,238</u>

18. DEBTORS

	2014 £
VAT Recoverable	36,388
Prepayments and accrued income	73,650
	<u>110,038</u>

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

19. CREDITORS:
Amounts falling due within one year

	2014 £
Trade creditors	20,125
Accruals and deferred income	36,862
	<u>56,987</u>
	£
Deferred income	
Universal infant free school meals	22,178
Devolved formula capital	3,935
Pupil premium	500
	<u>26,613</u>
Deferred income at 31st August 2014	<u>26,613</u>

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
School trips	-	4,079	(5,363)	1,284	-	-
General funds						
General funds -						
School Activities	-	250,869	-	(24,685)	-	226,184
General funds -						
Children Centre	-	21,934	-	-	-	21,934
	<u>-</u>	<u>272,803</u>	<u>-</u>	<u>(24,685)</u>	<u>-</u>	<u>248,118</u>
Total Unrestricted funds	<u>-</u>	<u>276,882</u>	<u>(5,363)</u>	<u>(23,401)</u>	<u>-</u>	<u>248,118</u>

BEECROFT ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014**

20. STATEMENT OF FUNDS (continued)

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds						
General Annual Grant (GAG)	-	923,821	(926,422)	2,601	-	-
Start Up Grant	-	25,000	(25,000)	-	-	-
Local Authority	-	22,786	(22,786)	-	-	-
Children Centre - local authority	-	241,029	(163,157)	-	-	77,872
Catering	-	13,710	(13,710)	-	-	-
Shop	-	2,876	(2,876)	-	-	-
Before/After School Clubs	-	9,103	(9,103)	-	-	-
Children Centre - private funding	-	4,065	(4,065)	-	-	-
Other Income	-	977	(977)	-	-	-
Pension reserve	-	(122,000)	(7,000)	-	(64,000)	(193,000)
	-	1,121,367	(1,175,096)	2,601	(64,000)	(115,128)
Tangible fixed assets	-	1,595,000	(14,469)	23,610	-	1,604,141
Devolved formula capital	-	2,810	-	(2,810)	-	-
	-	1,597,810	(14,469)	20,800	-	1,604,141
Total restricted funds	-	2,719,177	(1,189,565)	23,401	(64,000)	1,489,013
Total of funds	-	2,996,059	(1,194,928)	-	(64,000)	1,737,131

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

General Funds

The Academy's general funds represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

Restricted Funds

The Academy received a number of grants during the period for the purpose of providing educational services to its pupils. These funds included grants from the EFA for the General Annual Grant (GAG) and Start Up Grant and Pupil Premium. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

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20. STATEMENT OF FUNDS (continued)

The Academy receives Sure Start grants from the Local Authority for the running of the Children Centre known as 'Beehive'. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Children Centre.

Pension Reserve - As stated in note 25 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Beecroft Academy can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

Restricted Fixed Assets Funds

The Academy received Capital Formula funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Assets reserve.

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	4,079	(5,363)	1,284	-	-
General funds	-	272,803	-	(24,685)	-	248,118
	-	276,882	(5,363)	(23,401)	-	248,118
Restricted funds	-	1,121,367	(1,175,096)	2,601	(64,000)	(115,128)
Restricted fixed asset funds	-	1,597,810	(14,469)	20,800	-	1,604,141
	-	2,996,059	(1,194,928)	-	(64,000)	1,737,131

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	1,604,141	1,604,141
Current assets	248,118	134,859	-	382,977
Creditors due within one year	-	(56,987)	-	(56,987)
Provisions for liabilities and charges	-	(193,000)	-	(193,000)
	<u>248,118</u>	<u>(115,128)</u>	<u>1,604,141</u>	<u>1,737,131</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £
Net incoming resources before revaluations	1,801,131
Returns on investments and servicing of finance	(472)
Cash on conversion	(266,041)
Assets on conversion	(1,595,000)
Depreciation of tangible fixed assets	14,469
Increase in stocks	(11,238)
Increase in debtors	(110,038)
Increase in creditors	56,987
Increase in provisions	193,000
FRS 17 adjustments	(64,000)
Net cash inflow from operations	<u><u>18,798</u></u>

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

	2014 £
Returns on investments and servicing of finance	
Interest received	<u><u>472</u></u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u><u>(23,610)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2014

24. ANALYSIS OF CHANGES IN NET FUNDS

	20 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand	-	261,701	261,701
Net funds	-	261,701	261,701

25. PENSION COMMITMENTS

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

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

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25. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

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

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

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

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

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25. PENSION COMMITMENTS (continued)

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting 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 assets held in separate trustee-administered funds. The total contribution made for the period ended 31st August 2014 was £71,000, of which employer's contributions totalled £55,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 18.7% for employers and varying% 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.

As described in note 2 the LGPS obligation relates to the employees of the academy, 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows

	2014 £
Present value of funded obligations	(398,000)
Fair value of scheme assets	205,000
Net liability	(193,000)

The amounts recognised in the Statement of financial activities are as follows

	2014 £
Current service cost	(60,000)
Interest on obligation	(10,000)
Expected return on scheme assets	8,000
Total	(62,000)

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25. PENSION COMMITMENTS (continued)

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

	2014 £
Current service cost	60,000
Interest cost	10,000
Contributions by scheme participants	16,000
Actuarial Losses	66,000
Liability transferred on conversion	246,000
Closing defined benefit obligation	398,000

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

	2014 £
Expected return on assets	8,000
Actuarial gains and (losses)	2,000
Contributions by employer	55,000
Contributions by employees	16,000
Asset transferred on conversion	124,000
	205,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(64,000)

The academy expects to contribute £78,000 to its Defined benefit pension scheme in 2015

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

	2014
Equities	69.00 %
Bonds	19.00 %
Property	9.00 %
Cash	3.00 %

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

	2014
Discount rate for scheme liabilities	3.70 %
Expected return on scheme assets at 31st August	5.40 %
Rate of increase in salaries	3.50 %
Rate of increase for pensions in payment / inflation	2.70 %

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25. PENSION COMMITMENTS (continued)

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

	2014
Retiring today	
Males	22.4
Females	24.3
Retiring in 20 years	
Males	24.4
Females	26.8

Amounts for the current period are as follows

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(398,000)
Scheme assets	205,000
Deficit	(193,000)
Experience adjustments on scheme liabilities	(66,000)
Experience adjustments on scheme assets	2,000

26. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2014 £	Other 2014 £
Expiry date:		
Between 2 and 5 years	-	4,513

27. RELATED PARTY TRANSACTIONS

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

No related party transaction took place in the period of account.