

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

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**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**Trustees**

V Austin<sup>1,2</sup>  
D Baker<sup>2</sup>  
J Brock, Chair<sup>1,2,3</sup>  
T Dewhirst (resigned 15 February 2013)<sup>3</sup>  
W Dick<sup>2</sup>  
C Dyke (resigned 12 June 2013)<sup>2,3</sup>  
J Ford<sup>2</sup>  
K Grimshaw (appointed 4 December 2012)<sup>2</sup>  
M Harrison-Morse (resigned 21 September 2012)<sup>2,3</sup>  
P Horrigan MBE<sup>1,3</sup>  
C Kelly (appointed 4 December 2012)<sup>3</sup>  
M Lawford<sup>1,3</sup>  
D Lloyd-Evans, Vice Chair<sup>1,2,3</sup>  
T McShane (appointed 4 December 2012)<sup>2</sup>  
J Middleton (appointed 4 December 2012, resigned 4 July 2013)<sup>1</sup>  
S Pritchard, Headteacher  
L Tuck<sup>1,2</sup>  
G Wall<sup>1,2</sup>  
J Wiltshire<sup>1,3</sup>

- 1 Finance & Premises Committee  
2 Teaching & Learning Committee  
3 Staff & Students Committee

**Company registered  
number** 07872725

**Principal and Registered  
office** Windwhistle Road  
Weston-Super-Mare  
North Somerset  
BS23 4NP

**Company secretary** N Windridge

**Accounting officer** S Pritchard

**Senior Leadership  
Management Team**

S Pritchard, Headteacher  
S Pilgrim, Deputy Headteacher  
H Truss, Senior Assistant Headteacher  
J Fitzgerald, Assistant Headteacher  
M Foale, Assistant Headteacher  
E Gundry, Assistant Headteacher  
T Newell, Assistant Headteacher (resigned 31 March 2013)  
T Dewhirst, Temporary Assistant Headteacher

**Independent auditors** Bishop Fleming  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

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FOR THE YEAR ENDED 31 AUGUST 2013**

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**Advisers (continued)**

**Bankers** Natwest PLC  
89 High Street  
Weston-Super-Mare  
North Somerset  
BS23 1JW

**Solicitors** Stone King  
13 Queen Square  
Bath  
BA1 2HJ

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy.

The Trustees act as the Trustees for the charitable activities of Broadoak Mathematics and Computing College and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they cease to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

**Principal Activities**

The principal activity of the Academy is:

- to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum.
- to provide free education for pupils of different abilities between the ages of 11 and 16 ensuring that all students achieve their 'personal best'.

**TRUSTEES**

**Method of recruitment and appointment or election of Trustees**

On 1 February 2012 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees shall have the following Trustees as set out in its Articles of Association and funding agreement up to a total of 18 comprised as follows:

- up to 6 Parent Trustees who are elected by parents of registered pupils at the Academy
- up to 4 Staff Trustees elected by the staff. This includes the Headteacher who is treated for all purposes as being an ex officio Trustee.
- up to 8 Community Trustees who are appointed by the Board of Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher.

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**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board of Trustees has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures adopted for the Induction and Training of Trustees**

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a meeting with the Headteacher. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There are Trustees' training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

**Organisational Structure**

The Board of Trustees normally meets once each term. The Board of Trustees establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and verbal reports from committee vice-chairs to the Board of Trustees meetings in June/July and December. The Board of Trustees may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees:

- Finance and Premises Committee meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to health & safety, financial management, compliance with regulatory requirements and reporting, receiving reports from the Internal Auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Teaching and Learning Committee meets three times a year to monitor, evaluate and review Academy policy, practice and performance in relation to the School Improvement Plan, curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Staff & Students Committee meets three times a year to deal with all matters of staffing with reference to the School Improvement Plan, staffing structure, staff development and appointment processes, and Performance Management policies. It monitors and reviews pupil behaviour management, inclusion and exclusion.

It also appoints three sub committees:

- Pupil Admissions Panel which meets as required to deal with all matters relating to admissions. (and/or in year applications for places.)
- Headteacher's Review Group to carry out the annual Headteacher Review and target setting process.
- Pay Committee to receive and approve or not performance management pay recommendations.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Headteacher and Clerk to the Trustees; to approve the School Improvement Plan and budget.

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**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Trustees 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. The Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Management Team (SLMT).

The SLMT consists of the Headteacher, Deputy Headteacher, Senior Assistant Headteacher and four Assistant Headteachers. The SLMT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Finance Director and Finance and Premises Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Purchasing Policy. Some spending control is devolved to Budget Holders which must be authorised in line with the Purchasing Policy. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee whenever possible.

The Headteacher is the Accounting Officer.

**Risk management**

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

**Connected Organisations, including Related Party Relationships**

The Academy has strong links with the South Weston Cluster Primary schools but has no involvement in their governance or management. Broadoak Mathematics & Computing College provide support to help broaden the education of our future pupils, to prepare them for secondary education and to smooth the transition between schools.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The aims of the Academy during the year ended 31 August 2013 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to enhance post 16 opportunities for students in Education, Employment & Training.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, teaching and pastoral care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 A\* - C GCSE grades including English and Maths.
- to maximise the potential of all students
- to provide value for money for the funds expended.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce and local education providers
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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**TRUSTEES' REPORT (continued)  
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We will work proactively with parents and carers throughout their time here to ensure that students leave with the skills to help them succeed as adults.

- We place students at the heart of the college so that they enjoy their time here and achieve across a wide range of areas.
- We encourage students to strive for their 'personal best' in everything they do.
- At Broadoak relationships matter and we foster values of courtesy, consideration and individual responsibility.
- We aim to develop curious, knowledgeable, creative and articulate lifelong learners.
- We actively encourage students to adopt healthy, active, and safe lifestyles.
- We believe that success is built upon self esteem.
- We offer a high degree of challenge, together with a high level of support, so that all can achieve.

At Broadoak Mathematics and Computing College we strive to provide a vibrant, innovative learning environment where all students can maximise their abilities, ambitions and academic potential.

**Objectives, Strategies and Activities**

Key priorities for the period are contained in our School Improvement Plan which is available from the College Office. Improvement focuses identified for this year include:

- To further raise attainment for all students but with a focus on narrowing the gap in performance between groups of students
- Quality of teaching and learning so that the majority of lessons are good or outstanding
- Ambitious targets have been set for the 2014 GCSE results which take into account prior attainment and progress in literacy and numeracy.
- Ensuring that students in receipt of 'pupil premium' are supported to achieve their targets embedding reading, writing, communication and maths across the curriculum the smooth introduction of the new curriculum and examination system

Key activities and targets were identified in the School Improvement Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- Continued development of systems for tracking and monitoring pupil attainment.
- Review of ICT provision in relation to teaching and learning developments
- Development of the outdoor environment to provide high quality all weather sports' facilities for the College and the community
- Targets which ensured greater consistency across subjects
- Challenge for gifted and talented students
- Review of pupil premium funding and preliminary assessment of impact.
- Ongoing monitoring of budget in the light of LA formula funding review.
- Development and embedding of key financial and administrative procedures arising from
- Maintain and develop strong links with the community and stakeholders.

**Public Benefit**

The Trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy has moved into its second year of operation and has sustained student numbers so that it is full in all year groups. We are over subscribed in number for 2 year groups due to appeals and students moving into the catchment. We currently have 906 students on roll, Planned admission numbers (PAN) is 900.

In 2013 54% of students achieved 5 A\*-C grades or more including English and Maths, and 87% achieved 5+ A\*-C grades. Gifted & Talented (G&T) students did exceptionally well with 33% of G&T getting at least 3 A\*/A grades.

Progress measures in English and Maths were encouraging. Average points score has increased, and is now significantly above average.

Attainment has increased significantly since 2008/9 when the college seemed to be stuck in the low 40% is now consistently in the 50%'s.

To ensure that standards are continually assessed, the Academy operates a programme of team review where all aspects of a team's performance are reviewed. Findings go on to inform performance management and development planning. Learning walks are an established part of sharing good practice, as are paired lesson observations. Underperformance of teams and individuals is addressed rigorously.

The Academy was inspected by OFSTED in 2012 and was judged to be good in all areas. This represents an improvement in the 18 months since the previous Inspection in 2011.

Outstanding attendance is a strength of the College.

During the period the Academy completed the refurbishment of the student toilets so that all have been replaced in the last 3 years. We also completed a drama and dance studio which we financed largely from our own funds, with contributions from Weston College and our parents' association. Work has begun on two all-weather sports' pitches, complete with floodlights, again this is from our own budget.

Continuing professional development for staff has been very successful and the College achieved Investors in people (IIP). Nine members of staff completed an outstanding teacher's programme; each Faculty was represented. Other staff have completed Leadership Pathways training and National Professional Qualification for Headship (NPQH). The College has an extensive personalised staff training programme for staff to opt into. Newly qualified teachers (NQT's) and new staff have a full induction programme.

Safeguarding including recruitment, e-safety and child protection remains a priority for all staff and Trustees. All staff have been trained this year as part of the 3 year programme.

The College's link with the Royal Shakespeare Company goes from strength to strength. As the lead establishment in a cluster of 8 schools we produced a performance of The Merchant of Venice to a sell out audience at The Winter Gardens, a fantastic community project. Broadoak and Hutton Primary were selected to perform in Stratford in July. Last year the College worked with a group of partner schools to make a film version of Romeo and Juliet which was screened at the local Odeon Cinema. Weston College once again supported this venture financially.

The College bid for, planned and ran an extremely successful summer holiday programme including a two week school for disadvantaged students. There was a 80% attendance from all eligible students. Parental feedback was glowing, and some hard to reach parents came into the College for the first time.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues

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**TRUSTEES' REPORT (continued)  
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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.

**Key Financial Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention however this restriction has been removed this year. In period under review, £195,061 was carried forward representing 4.1% of GAG, compared to 0.5% in 2012.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers have been stable for over 5 years.

Another key financial performance indicator is staffing costs as a percentage of income. For 2013 this was 70.1% compared to 75% in 2012.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2013, total expenditure of £5,198,026 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,155,762. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £677,481.

At 31 August 2013 the net book value of fixed assets was £14,336,856 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used primarily for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Trustees have adopted an Internal Audit Policy and appointed Peter Cann, Audit & Corporate Governance Manager, Audit, Risk & Information Service, North Somerset Council to undertake a programme of internal checks on financial controls. During the period, the Trustees received the two Internal Audit Reports from the Peter Cann which contained no matters of significance.

**Financial and Risk Management Objectives and Policies**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term, reviewing performance against budgets and

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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overall expenditure by means of regular update reports at all full Trustees' and Finance & Premises Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. Whilst the level of funding is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed. The fact that the College was one of only two schools in the LA to be oversubscribed reflects that we have an excellent reputation in the community. We have also ensured that our facilities are attractive and modern.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff.

Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**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 reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The policy of the Board of Trustees is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Trustees have determined that the appropriate level should be no less than £200,000. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance, fall in pupil numbers. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £68,420.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £487,453 for completion of External Sports Facilities Project – Total spend is budgeted at £632,034 including 10% contingency, £144,581 already paid in 2012 for work completed by 31st August 2012. Project due for completion December 2013.

**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

The Academy operates a current account with a bank approved by the Board of Trustees and maintains a balance in that account which is sufficient to cover immediate and forthcoming financial commitments and a sufficient contingency for unexpected payments. Monies surplus to the working requirements are invested in a reserve account in the name of the Academy with the same bank approved by the Board of Trustees.

The Academy will not take out any long term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding six months.

Day to day management of the surplus funds is delegated to the Headteacher and Finance Director within strict guidelines approved by the Board of Trustees.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community. The Academy will begin improvements to its outdoor, all weather netball and tennis facilities to the highest standard funding will allow. We will try and get support from community stakeholders and the Academy capital funding programme.

This year we will review the structure of the College day to maximise the morning learning time. We will consult with all stakeholders.

We will work to ensure to minimise the impact of falling student numbers (short term) across the town upon our numbers and consequently finances.

Changes to OFSTED and GCSE's will need careful planning and preparation.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The financial statements do not include the results of the Broadoak Enrichment Trust (registered charity no 282701) and the Caroline Maud James Trust (registered charity no 310259) which are under the control of the Trustees of the Academy Trust.

Broadoak Enrichment Trust

Objects – advancement of the education of the students of the school

Trustees – Chair of Trustees, Chair of Finance, Headteacher, 2 x PTA, 1 x Teaching Staff

Caroline Maud James Trust

Objects – payment of studentships of £50 or £25 to students who live in Weston super Mare who are going into higher education or training.

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**TRUSTEES' REPORT (continued)  
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The Trustees are the Chair of Trustees, Chair of Finance and Headteacher

**AUDITOR**

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.

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the board of trustees on 3 December 2013 and signed on its behalf by:

**J Brock  
Chair of Trustees**

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the 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 Broadoak Mathematics and Computing College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
V Austin	4	4
D Baker	1	4
J Brock, Chair	4	4
T Dewhurst	2	2
W Dick	0	4
C Dyke	1	3
J Ford	3	4
K Grimshaw	3	3
M Harrison-Morse	0	1
P Horrigan MBE	1	4
C Kelly	2	3
M Lawford	4	4
D Lloyd-Evans, Vice Chair	4	4
T McShane	3	3
J Middleton	2	3
S Pritchard, Headteacher	4	4
L Tuck	4	4
G Wall	4	4
J Wiltshire	4	4

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to health & safety, financial management and compliance with regulatory requirements.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
V Austin	4	4
P Horrigan	0	4
M Lawford	3	4
D Lloyd-Evans	2	4
J Middleton	2	3
S Pritchard	4	4
L Tuck	4	4
G Wall	4	4
J Wiltshire	4	4
J Brock	4	4

**GOVERNANCE STATEMENT (continued)**

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**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 Broadoak Mathematics and Computing College for the year 1 September 2012 to 31 August 2013 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and 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 (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint P Cann, an Audit & Corporate Governance Manager, Risk & Information Service, a department of North Somerset Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external 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 Finance and Premises 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 trustees on 3 December 2013 and signed on their behalf, by:

**J Brock**  
**Chair of Trustees**

**S Pritchard, Headteacher**  
**Accounting Officer**

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Broadoak Mathematics and Computing College I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy board of trustees 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.

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

**S Pritchard, Headteacher  
Accounting Officer**

Date: 3 December 2013

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2013**

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

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

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

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

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

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

**J Brock**  
**Chair of Trustees**

**Date: 3 December 2013**

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADOAK MATHEMATICS AND  
COMPUTING COLLEGE**

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We have audited the financial statements of Broadoak Mathematics and Computing College for the year ended 31 August 2013 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 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 TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADOAK MATHEMATICS AND  
COMPUTING COLLEGE**

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**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.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming**

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

13 December 2013

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BROADOAK  
MATHEMATICS AND COMPUTING COLLEGE AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 16 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Broadoak Mathematics and Computing College during the year 1 September 2012 to 31 August 2013 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 Broadoak Mathematics and Computing College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Broadoak Mathematics and Computing College 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 Broadoak Mathematics and Computing College and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BROADOAK MATHEMATICS AND COMPUTING COLLEGE'S  
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Broadoak Mathematics and Computing College's funding agreement with the Secretary of State for Education dated 1 February 2012, and the Academies Financial Handbook extant from 1 September 2012, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 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 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BROADOAK  
MATHEMATICS AND COMPUTING COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming**

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

13 December 2013

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2	-	-	-	-	13,640,536
Other voluntary income	2	38,337	25,136	-	63,473	53,116
Activities for generating funds	3	12,650	-	-	12,650	6,532
Investment income	4	10,082	-	-	10,082	3,894
Incoming resources from charitable activities	5	2,092	5,048,227	19,238	5,069,557	2,970,900
<b>TOTAL INCOMING RESOURCES</b>		<b>63,161</b>	<b>5,073,363</b>	<b>19,238</b>	<b>5,155,762</b>	<b>16,674,978</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		68,420	4,817,224	276,527	5,162,171	3,002,501
Governance costs	10	-	35,855	-	35,855	23,876
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>68,420</b>	<b>4,853,079</b>	<b>276,527</b>	<b>5,198,026</b>	<b>3,026,377</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>(5,259)</b>	<b>220,284</b>	<b>(257,289)</b>	<b>(42,264)</b>	<b>13,648,601</b>

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
Transfers between Funds	18	-	(197,032)	197,032	-	-
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<b>(5,259)</b>	<b>23,252</b>	<b>(60,257)</b>	<b>(42,264)</b>	13,648,601
Actuarial gains and losses on defined benefit pension schemes		-	<b>72,000</b>	-	<b>72,000</b>	(86,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(5,259)</b>	<b>95,252</b>	<b>(60,257)</b>	<b>29,736</b>	13,562,601
Total funds at 1 September 2012		487,679	(1,322,191)	14,397,113	13,562,601	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>482,420</b>	<b>(1,226,939)</b>	<b>14,336,856</b>	<b>13,592,337</b>	13,562,601

All of the academy's activities derive from continuing activities in the current year.

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

The notes on pages 25 to 43 form part of these financial statements.

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07872725**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>14,336,856</b>		14,397,113
<b>CURRENT ASSETS</b>					
Debtors	16	<b>103,846</b>		83,609	
Cash at bank and in hand		<b>1,081,944</b>		775,844	
		<b>1,185,790</b>		859,453	
<b>CREDITORS:</b> amounts falling due within one year	17	<b>(508,309)</b>		(259,965)	
<b>NET CURRENT ASSETS</b>			<b>677,481</b>		599,488
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>15,014,337</b>		14,996,601
Defined benefit pension scheme liability	23		<b>(1,422,000)</b>		(1,434,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>13,592,337</b>		13,562,601
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	18	<b>195,061</b>		111,809	
Fixed asset funds	18	<b>14,336,856</b>		14,397,113	
Restricted funds excluding pension liability		<b>14,531,917</b>		14,508,922	
Pension reserve		<b>(1,422,000)</b>		(1,434,000)	
Total restricted funds			<b>13,109,917</b>		13,074,922
Unrestricted funds	18		<b>482,420</b>		487,679
<b>TOTAL FUNDS</b>			<b>13,592,337</b>		13,562,601

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2013 and are signed on their behalf, by:

**J Brock**  
**Chair of Trustees**

The notes on pages 25 to 43 form part of these financial statements.

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2013**

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	<b>Note</b>	<b>31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Net cash flow from operating activities	20	<b>522,370</b>	375,948
Capital expenditure and financial investment		<b>(216,270)</b>	(188,493)
Cash transferred on conversion to an academy trust		-	588,389
<b>INCREASE IN CASH IN THE YEAR</b>		<b>306,100</b>	<b>775,844</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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	<b>31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Increase in cash in the year	<b>306,100</b>	775,844
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>306,100</b>	775,844
Net funds at 1 September 2012	<b>775,844</b>	-
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>1,081,944</b>	<b>775,844</b>

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The notes on pages 25 to 43 form part of these financial statements.

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

---

**1. ACCOUNTING POLICIES**

**1.1 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 issued by the EFA, applicable accounting standards and the Companies Act 2006.

Guidance in the Accounts Direction 2013 has changed from last year and where this impacts the comparative figures these have been adjusted.

**1.2 FUND ACCOUNTING**

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

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

**1.3 INCOMING RESOURCES**

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

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

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

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market 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 the academy's policies.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 RESOURCES EXPENDED**

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £5,000 are capitalised.

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

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

Long Term Leasehold Property	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 10 years
Computer equipment	-	Straight line over 3 years
Assets under construction	-	Not depreciated until construction complete

**1.7 OPERATING LEASES**

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

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

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.8 TAXATION**

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

**1.9 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, 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 23, 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.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>	Total for 7 months ended 31 August 2012 £
Transfer from Local Authority on conversion	-	-	-	13,640,536
Donations	<b>38,337</b>	<b>25,136</b>	<b>63,473</b>	53,116
Voluntary income	<b>38,337</b>	<b>25,136</b>	<b>63,473</b>	13,693,652

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
Lettings	12,650	-	12,650	6,532
	<u>12,650</u>	<u>-</u>	<u>12,650</u>	<u>6,532</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
Bank interest	10,082	-	10,082	3,894
	<u>10,082</u>	<u>-</u>	<u>10,082</u>	<u>3,894</u>

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
<b>DfE/EFA grants</b>				
Capital Grants	-	19,238	19,238	22,410
General Annual Grant	-	4,683,780	4,683,780	2,755,318
Start up Grants	-	-	-	25,000
Other DfE/EFA grants	-	261,463	261,463	107,577
	<u>-</u>	<u>4,964,481</u>	<u>4,964,481</u>	<u>2,910,305</u>
<b>Other government grants</b>				
Special Educational Needs	-	10,146	10,146	-
Other government grants non capital	378	92,556	92,934	59,839
	<u>378</u>	<u>102,702</u>	<u>103,080</u>	<u>59,839</u>
<b>Other funding</b>				
Sales to students	332	-	332	-
Other	1,382	282	1,664	756
	<u>1,714</u>	<u>282</u>	<u>1,996</u>	<u>756</u>
	<u>2,092</u>	<u>5,067,465</u>	<u>5,069,557</u>	<u>2,970,900</u>

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**6. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
Education	68,420	5,093,751	5,162,171	3,002,501

**7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Direct costs	3,000,720	276,527	507,074	3,784,321	2,184,992
Support costs	618,407	329,853	429,590	1,377,850	817,509
<b>CHARITABLE ACTIVITIES</b>	<b>3,619,127</b>	<b>606,380</b>	<b>936,664</b>	<b>5,162,171</b>	<b>3,002,501</b>
<b>GOVERNANCE</b>	<b>-</b>	<b>-</b>	<b>35,855</b>	<b>35,855</b>	<b>23,876</b>
	<b>3,619,127</b>	<b>606,380</b>	<b>972,519</b>	<b>5,198,026</b>	<b>3,026,377</b>

**8. DIRECT COSTS**

	2013 £	Total for 7 months ended 31 August 2012 £
Pension finance costs	56,000	33,000
Educational supplies	196,365	126,806
Examination fees	75,784	39,670
Staff development	17,400	8,888
Other costs	112,255	27,385
Supply teachers	49,270	87,170
Wages and salaries	2,466,565	1,396,358
National insurance	198,223	116,804
Pension cost	335,932	186,384
Depreciation	276,527	162,527
	<b>3,784,321</b>	<b>2,184,992</b>

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**9. SUPPORT COSTS**

	<b>2013</b>	Total for 7 months ended 31 August 2012
	£	£
Recruitment and other staff costs	<b>1,023</b>	1,771
Maintenance of premises and equipment	<b>88,798</b>	103,315
Cleaning	<b>85,285</b>	67,612
Rent and rates	<b>40,834</b>	20,934
Heat and light	<b>114,936</b>	50,396
Insurance	<b>66,852</b>	29,131
Security and transport	<b>16,125</b>	10,180
Catering	<b>51,451</b>	20,662
Technology costs	<b>5,274</b>	18,887
Office overheads	<b>83,323</b>	44,268
Legal and professional	<b>203,317</b>	84,303
Bank interest and charges	<b>2,225</b>	1,438
Wages and salaries	<b>483,962</b>	285,350
National insurance	<b>28,186</b>	17,403
Pension cost	<b>106,259</b>	61,859
	<b>1,377,850</b>	817,509

**10. GOVERNANCE COSTS**

	<b>Unrestricted funds 2013</b>	<b>Restricted funds 2013</b>	<b>Total funds 2013</b>	Total for 7 months ended 31 August 2012
	£	£	£	£
Auditors' remuneration	-	<b>7,950</b>	<b>7,950</b>	7,250
Auditors' non audit costs	-	<b>5,700</b>	<b>5,700</b>	2,900
Legal and Professional	-	<b>5,504</b>	<b>5,504</b>	4,989
Other costs	-	<b>5,913</b>	<b>5,913</b>	1,129
Governance salaries	-	<b>10,788</b>	<b>10,788</b>	7,608
	<b>-</b>	<b>35,855</b>	<b>35,855</b>	23,876

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	<b>31 August 2013 £</b>	7 months ended 31 August 2012 £
Depreciation of tangible fixed assets: - owned by the charity	<b>276,527</b>	162,527
Auditors' remuneration	<b>7,950</b>	7,250
Auditors' remuneration - non-audit	<b>5,700</b>	2,700
	<b>=====</b>	<b>=====</b>

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
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**12. STAFF COSTS**

Staff costs were as follows:

	<b>31 August 2013 £</b>	7 months ended 31 August 2012 £
Wages and salaries	<b>2,950,527</b>	1,681,708
Social security costs	<b>226,409</b>	134,207
Other pension costs	<b>442,191</b>	248,243
	<b><u>3,619,127</u></b>	<b><u>2,064,158</u></b>

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

	<b>31 August 2013 No.</b>	7 months ended 31 August 2012 No.
Management	<b>6</b>	7
Teachers	<b>48</b>	46
Educational Support	<b>28</b>	27
Other Support	<b>23</b>	22
	<b><u>105</u></b>	<b><u>102</u></b>

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

	<b>31 August 2013 No.</b>	7 months ended 31 August 2012 No.
In the band £60,001 - £70,000	<b>2</b>	2
In the band £70,001 - £80,000	<b>1</b>	1
	<b><u>3</u></b>	<b><u>3</u></b>

The three employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £28,271 (2012: £28,230) per annum.

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration in the year was as follows: S Pritchard £75,000 - £80,000, T Dewhurst £45,000 - £50,000, M Harrison-Morse £35,000 - £40,000, K Grimshaw £20,000 - £25,000 and C Kelly £35,000 - £40,000. The value of Governors' remuneration in the previous 7 month period were: S Pritchard £45,000 - £50,000, T Dewhurst £30,000 - £35,000, and M Harrison-Morse £20,000 - £25,000.

During the year, no Trustees received any reimbursement of expenses (2012: £NIL).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was included in the total insurance cost.

**15. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2012	14,527,957	-	11,672	20,011	14,559,640
Additions	18,899	169,661	-	27,710	216,270
At 31 August 2013	<u>14,546,856</u>	<u>169,661</u>	<u>11,672</u>	<u>47,721</u>	<u>14,775,910</u>
<b>DEPRECIATION</b>					
At 1 September 2012	152,341	-	1,380	8,806	162,527
Charge for the year	259,028	-	1,380	16,119	276,527
At 31 August 2013	<u>411,369</u>	<u>-</u>	<u>2,760</u>	<u>24,925</u>	<u>439,054</u>
<b>NET BOOK VALUE</b>					
At 31 August 2013	<u>14,135,487</u>	<u>169,661</u>	<u>8,912</u>	<u>22,796</u>	<u>14,336,856</u>
At 31 August 2012	<u>14,375,616</u>	<u>-</u>	<u>10,292</u>	<u>11,205</u>	<u>14,397,113</u>

During the year the school has started construction on new sport pitches, expenditure on this new asset has been included within the assets under construction heading above.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. DEBTORS**

	<b>2013</b>	2012
	<b>£</b>	£
Trade debtors	<b>761</b>	971
VAT repayable	<b>46,909</b>	20,353
Prepayments and accrued income	<b>56,176</b>	62,285
	<hr/> <b>103,846</b> <hr/>	<hr/> 83,609 <hr/>

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

	<b>2013</b>	2012
	<b>£</b>	£
Trade creditors	<b>251,946</b>	7,730
Other taxation and social security	<b>70,956</b>	74,612
Wages and salaries	<b>57,193</b>	50,723
Accruals and deferred income	<b>128,214</b>	126,900
	<hr/> <b>508,309</b> <hr/>	<hr/> 259,965 <hr/>

**DEFERRED INCOME**

Deferred income at 1 September 2012	<b>8,463</b>
Resources deferred during the year	<b>25,167</b>
Amounts released from previous years	<b>(8,463)</b>
	<hr/> <b>25,167</b> <hr/>
Deferred income at 31 August 2013	<b>25,167</b>

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	487,679	63,161	(68,420)	-	-	482,420
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	14,169	4,683,780	(4,395,041)	(107,847)	-	195,061
Other EFA grants	-	4,300	(4,300)	-	-	-
Pupil premium	3,315	249,563	(253,171)	293	-	-
LA MEND	4,650	-	(4,650)	-	-	-
Devolved formula capital	89,675	-	-	(89,675)	-	-
Special Educational Needs	-	79,844	(79,844)	-	-	-
Weston College: Personalised Learning	-	20,000	(20,000)	-	-	-
LA SSCO	-	7,600	(7,600)	-	-	-
Other restricted funds	-	28,276	(28,473)	197	-	-
Pension reserve	(1,434,000)	-	(60,000)	-	72,000	(1,422,000)
	<u>(1,322,191)</u>	<u>5,073,363</u>	<u>(4,853,079)</u>	<u>(197,032)</u>	<u>72,000</u>	<u>(1,226,939)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	14,216,453	-	(259,079)	-	-	13,957,374
Fixed assets purchased from GAG and Devolved Formula Capital	180,660	19,238	(17,448)	197,032	-	379,482
	<u>14,397,113</u>	<u>19,238</u>	<u>(276,527)</u>	<u>197,032</u>	<u>-</u>	<u>14,336,856</u>
Total restricted funds	<u>13,074,922</u>	<u>5,092,601</u>	<u>(5,129,606)</u>	<u>-</u>	<u>72,000</u>	<u>13,109,917</u>
Total of funds	<u><u>13,562,601</u></u>	<u><u>5,155,762</u></u>	<u><u>(5,198,026)</u></u>	<u><u>-</u></u>	<u><u>72,000</u></u>	<u><u>13,592,337</u></u>

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

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**18. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school.

Other EFA grants represents a grant for the completion of the WGA return and budget forecast.

Pupil Premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

LA MEND represents funds received to develop healthy lifestyle programmes.

Devolved formula capital includes devolved capital funding and amounts received from the Academies Capital Maintenance Fund. This is likely to be spent on existing capital commitments in the next year.

Special Education Needs (SEN) funding is received to cater for pupils with learning difficulties and other disabilities.

Weston College: Personalised Learning relates to income for school development and sponsorship activities.

LA SSCO (School Sports Partnership) funding represents amounts received from North Somerset Council under the SSCO initiative.

Other restricted funds include smaller individual restricted income streams which have been fully expended by the year end.

The Pension Reserve represents the Local Government Pension Scheme deficit.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from North Somerset Council on conversion to an academy.

Fixed assets purchased from GAG and Devolved Formual Capital represent amounts spent on fixed assets from the GAG funding received from the EFA and DfE/EFA Capital grants includes devolved capital funding and amounts received from the Academies Capital Maintenance Fund.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

**SUMMARY OF FUNDS**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Transfers in/out</b>	<b>Gains/ (Losses)</b>	<b>Carried Forward</b>
	£	£	£	£	£	£
General funds	487,679	63,161	(68,420)	-	-	482,420
Restricted funds	(1,322,191)	5,073,363	(4,853,079)	(197,032)	72,000	(1,226,939)
Restricted fixed asset funds	14,397,113	19,238	(276,527)	197,032	-	14,336,856
	<u>13,562,601</u>	<u>5,155,762</u>	<u>(5,198,026)</u>	<u>-</u>	<u>72,000</u>	<u>13,592,337</u>

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

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total for 7 months ended 31 August 2012 £
Tangible fixed assets	-	-	14,336,856	14,336,856	14,397,113
Current assets	485,495	526,798	173,497	1,185,790	859,453
Creditors due within one year	(3,075)	(331,737)	(173,497)	(508,309)	(259,965)
Provisions for liabilities and charges	-	(1,422,000)	-	(1,422,000)	(1,434,000)
	<u>482,420</u>	<u>(1,226,939)</u>	<u>14,336,856</u>	<u>13,592,337</u>	<u>13,562,601</u>

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	31 August 2013 £	7 months ended 31 August 2012 £
Net incoming resources before revaluations	(42,264)	13,648,601
Net assets transferred on conversion	-	(13,640,536)
Depreciation of tangible fixed assets	276,527	162,527
Increase in debtors	(20,237)	(83,609)
Increase in creditors	248,344	259,965
Defined benefit pension scheme adjustments	60,000	29,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>522,370</u>	<u>375,948</u>

	31 August 2013 £	7 months ended 31 August 2012 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	<u>(216,270)</u>	<u>(188,493)</u>

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	775,844	306,100	-	1,081,944
<b>NET FUNDS</b>	<u>775,844</u>	<u>306,100</u>	<u>-</u>	<u>1,081,944</u>

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**22. CAPITAL COMMITMENTS**

At 31 August 2013 the academy had capital commitments as follows:

	<b>2013</b>	2012
	<b>£</b>	£
Contracted for but not provided in these financial statements	<b>487,454</b>	-

The above commitments are in relation to the building of new sports pitches, construction had begun shortly before the year end.

**23. 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 Bath and North East Somerset 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 2010.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, 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**

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

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**23. PENSION COMMITMENTS (continued)**

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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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 year ended 31 August 2013 was £211,000, of which employer's contributions totalled £158,000 and employees' contributions totalled £53,000. The agreed contribution rates for future years are 11.6% for employers and 5.5% to 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.

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**23. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance sheet are as follows:

	<b>31 August 2013 £</b>	7 months ended 31 August 2012 £
Present value of funded obligations	<b>(2,421,000)</b>	(2,094,000)
Fair value of scheme assets	<b>999,000</b>	660,000
Net liability	<b><u>(1,422,000)</u></b>	<b><u>(1,434,000)</u></b>

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

	<b>31 August 2013 £</b>	7 months ended 31 August 2012 £
Current service cost	<b>(162,000)</b>	(86,000)
Interest on obligation	<b>(99,000)</b>	(52,000)
Expected return on scheme assets	<b>43,000</b>	19,000
Total	<b><u>(218,000)</u></b>	<b><u>(119,000)</u></b>

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

	<b>31 August 2013 £</b>	7 months ended 31 August 2012 £
Opening defined benefit obligation	<b>2,094,000</b>	-
Current service cost	<b>162,000</b>	86,000
Interest cost	<b>99,000</b>	52,000
Contributions by scheme participants	<b>53,000</b>	31,000
Actuarial Losses	<b>-</b>	86,000
Benefits paid	<b>13,000</b>	-
Liability transferred on conversion	<b>-</b>	1,839,000
Closing defined benefit obligation	<b><u>2,421,000</u></b>	<b><u>2,094,000</u></b>

**BROADOAK MATHEMATICS AND COMPUTING COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**23. PENSION COMMITMENTS (continued)**

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

	<b>31 August 2013 £</b>	7 months ended 31 August 2012 £
Opening fair value of scheme assets	<b>660,000</b>	-
Expected return on assets	<b>43,000</b>	19,000
Actuarial gains and (losses)	<b>72,000</b>	-
Contributions by employer	<b>158,000</b>	90,000
Contributions by employees	<b>53,000</b>	31,000
Benefits paid	<b>13,000</b>	-
Asset transferred on conversion	-	520,000
	<b>999,000</b>	660,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(14,000) (2012: £(86,000)).

The academy expects to contribute £160,000 to its Defined benefit pension scheme in 2014.

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

	<b>2013</b>	2012
Equities	<b>64.50 %</b>	58.50 %
Bonds	<b>19.50 %</b>	24.50 %
Property	<b>7.10 %</b>	7.40 %
Cash	<b>1.80 %</b>	1.80 %
Other	<b>7.10 %</b>	7.80 %

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

	<b>2013</b>	2012
Discount rate for scheme liabilities	<b>4.60 %</b>	4.50 %
Expected return on scheme assets at 31 August	<b>5.89 %</b>	5.53 %
Rate of increase in salaries	<b>3.90 %</b>	3.80 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.30 %

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

	<b>2013</b>	2012
Retiring today		
Males	<b>22.9</b>	22.8 years
Females	<b>25.9</b>	25.7 years
Retiring in 20 years		
Males	<b>25.2</b>	25.1 years
Females	<b>28.2</b>	28.1 years

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(2,421,000)	(2,094,000)
Scheme assets	999,000	660,000
Deficit	<u>(1,422,000)</u>	<u>(1,434,000)</u>
Experience adjustments on scheme liabilities	-	(86,000)
Experience adjustments on scheme assets	<u>72,000</u>	<u>-</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
<b>EXPIRY DATE:</b>		
Within 1 year	-	1,245
Between 2 and 5 years	<u>12,948</u>	<u>5,472</u>

**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.