

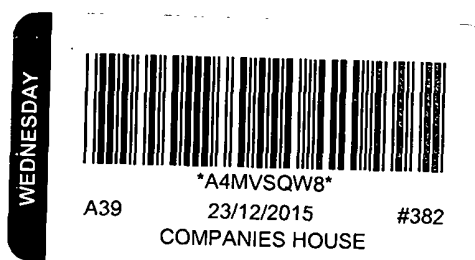
Registered number: 04233659 (England & Wales)

BEXLEY BUSINESS ACADEMY LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015



BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015

Sponsor
The Garrard Family Foundation

Members
Sir David Garrard
Tim Garnham
Andrew Rosenfeld (ceased 8 February 2015)

Trustees/ Governors

R Elms, Chair (appointed 16 September 2015)
T Garnham, Chair (resigned 16 September 2015)
P Chandler (resigned 8 December 2015)
L Famubode, Parent Governor (appointed 10 June 2015)
V Garnham (resigned 21 October 2014)
N Greenwood
S Imbert (appointed 6 January 2015)
B Ishola (appointed 25 March 2015, resigned 28 April 2015)
S Jackson (resigned 14 May 2015)
L Knights (appointed 29 June 2015)
J Morris, Staff Governor (appointed 13 July 2015)
M Ogundayo (appointed 23 March 2015)
F Ogunde, Staff Governor (appointed 25 October 2014)
R Walker, Staff Governor (appointed 21 October 2014)
C Cassels (resigned 21 October 2014)
V Garnham (resigned 1 November 2014)
J Pugh, Staff Governor (resigned 6 June 2015)
S Neville (resigned 31 December 2014)
D Shadwell OBE (resigned 16 June 2015)

Company registered number

04233659 (England & Wales)

Principal and registered office

Yarnton Way, Erith, Kent, DA18 4DW

Company secretary

Olswang Cosec Limited

Senior management team

M Pinchin, Principal
N Fallon, Deputy principal Secondary
R Michalski, Deputy principal Primary
D Hughes, Director of finance
S Elms, Director of external affairs and administration

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors

MHA MacIntyre Hudson, 31 St George's Place, Canterbury, Kent, CT1 1XD

Bankers

Barclays Bank Plc, 1 Churchill Place, London, E14 5HP

Solicitors

Browne Jacobson LLP, Mowbray House, Nottingham, NG2 1BJ

**The Business Academy Bexley
(A company limited by guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an academy for pupils aged 4 to 18, serving a catchment area in Thamesmead in the London Borough of Bexley. This comprises primary, secondary and sixth form provision on a combined site, with a separate vocational construction facility in Crayford.

At the October 2015 school census, the Academy had 1493 students:

- 582 primary students (key stages 1 and 2)
- 768 secondary students (key stages 3 and 4)
- 143 students in sixth form (key stage 5)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Business Academy Bexley Limited are also the directors *and governors* of the charitable company for the purposes of company law. The charitable company is known as Bexley Business Academy. The Trust also has a subsidiary company, Bexley Business Academy Education Services Ltd, which is currently dormant.

Details of the trustees who were in place at the time the trustees report was approved are listed in the Reference and Administrative Details on page 1. Trustees and governors who served during the year are included within the governance statement.

Members Liability

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

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association and Funding Agreement allow for:

- The sponsor to appoint up to 6 governors. There are currently 3 governors appointed directly;
- Other governors to be elected or co-opted by the existing Board.
- Appointment of 1 parent and up to 2 staff governors. The terms of reference approved by governors provides for this to be done by election of the representative group.
- The Secretary of State to appoint a governor. The Department for Education has not exercised this right during the reporting period.

The Principal is an ex-officio governor, but not a director or trustee. With the exception of governors appointed by either the sponsor or the Secretary of State, governors serve a term of four years, and can offer themselves for re-election at the end of that period.

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Policies and Procedures Adopted for the Induction and Training of Trustees

Training is offered to governors, by way of internal presentations and access to relevant external courses or conferences. The Academy is currently developing a formal induction programme for governors, but all governors have been provided with an explanation of their role, the terms of reference for committees, and relevant guidance and framework documentation developed by the Department for Education (DfE), including the Financial Handbook for Academies. A programme of visits to the Academy is agreed with each governor.

Organisational Structure

Governors are responsible for the strategic direction of the Academy, and the Principal is responsible for the delivery of the strategy and the operation of the Academy.

Governors are also responsible for ensuring the Academy's funds are used only in accordance with the law, the articles of association, the funding agreement and the Financial Handbook for Academies published by the Education Funding Agency (EFA). Governors are trustees of the charity and directors of the company, and are therefore bound by the responsibilities and duties governed by the respective legislation.

Governors meet three to four times per year, and have also established a Finance and General Purposes Committee and a Standards Committee.

The trustees have designated the Principal as the Accounting Officer, who is accountable to Parliament for the proper conduct of the Academy, including achievement of value for money, and compliance with the regularity and propriety frameworks applicable to academies. This includes a personal responsibility for ensuring compliance with the EFA Academies Handbook and Funding Agreement requirements

The governance structure operating within the Academy allows for the governors and the Principal to fulfil their respective responsibilities. In particular, the close working arrangement between the chair of governors and the Principal ensures collective and individual responsibilities converge appropriately.

The Academy operates a series of delegated financial authorities to ensure that budgetary responsibility is placed to ensure governors can fulfil their responsibility and, at the same time, the Academy executive can make appropriate decisions to operate the business efficiently and effectively. This includes thresholds, above which approval is required by the Finance and General Purposes Committee and the Board of Governors.

The Academy leadership is responsible for the internal organisation, management and control of the Academy. The team is also responsible for the implementation of all policies approved by governors.

The sponsor, Sir David Garrard through his Garrard Family Foundation, provides support to the Academy and its trust, including significant, generous financial support. Sir David is not a governor, but does attend governor meetings in his capacity as sponsor and member. Sir David receives no remuneration or other benefit in return for his sponsorship, and has no individual voting rights. The Articles of Association allow for Sir David to appoint governors, as explained above, which he exercised on establishment of the Academy Trust and occasionally since in order to maintain an appropriate number of governors, with the approval of existing governors.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Related Parties and other Connected Charities and Organisations

The Academy is a single academy trust, encompassing both a primary and secondary school on a single site. The Academy is a sponsored academy; the Garrard Family Foundation only sponsors the Business Academy Bexley. The Academy is grant funded by the Department for Education.

No governors receive remuneration in respect of their duties as governors or trustees, other than expenses in line with the Academy expenses policy. No qualifying third party indemnity provision per Companies Act Section 236 is provided to directors, although general liability insurance has been obtained.

During the year £14,328 (2013-2014 £64,464) was paid to Moore Blatch LLP, where one of our governors, N Greenwood, is a partner.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy's objects are to provide all-through educational services to students from 4 to 19.

Objectives, Strategies and Activities

The sole activity of the company is the operation of the Academy to provide education for students of different abilities. The main objectives of the Academy are summarised below:

- To raise the standard of educational achievement and progress of all students;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy by continual review of the curriculum requirements;
- 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
- To conduct its business with the highest standards of integrity, probity and openness.

Public Benefit

In setting objectives and planning activities the Academy's Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Academy is independently governed, but state funded, and provides education free at the point of delivery. The admissions policy is totally inclusive.

STRATEGIC REPORT

Achievements and performance

Under new leadership and management for this academic year the Academy continues its emphasis on raising

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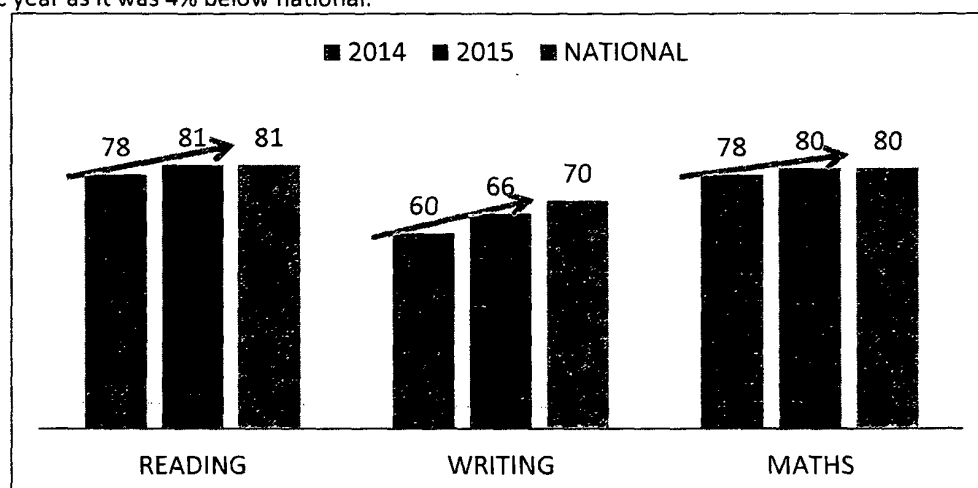
standards and improving student outcomes. Overall student outcomes continue on the upward trajectory, continuing to close the gap and strive towards improved student progress and attainment. Staff continue to ensure a safe and inspiring learning environment where students can enjoy learning and become independent.

Attainment Outcomes

Early Years, KS1 and KS2.

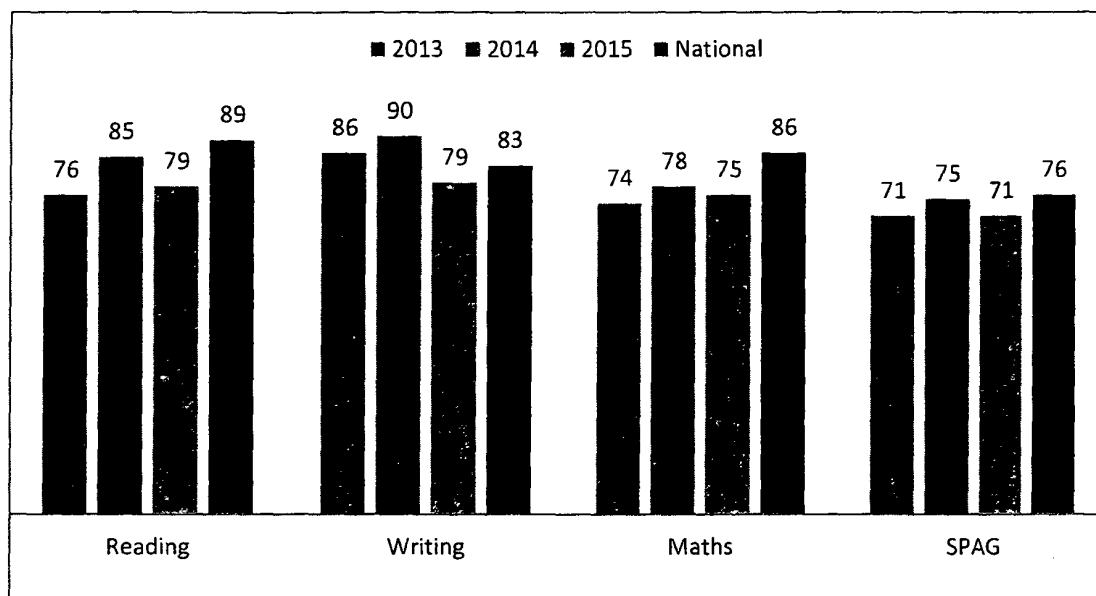
For this academic year most key performance indicators continue their upward trajectory. The end of foundation standards of pupils reaching a good level of development continues to close the gap on national rising from 39% in 2014 to 48% in 2015.

Year 1 Phonics screening continued its upward trend to 73% narrowing the gap on national at 74%. Reading and Maths Key Stage 1 SATs results rose again and were in line with national this year. In Maths 80% of pupils achieved age related attainment 2b+ and 81% in Reading, Writing remains a key focus for the next academic year as it was 4% below national.



Key Stage 2 (KS2) SATs L4+ attainment dipped this academic year as shown in the graph below, this was a lower ability cohort comparatively to the previous year.

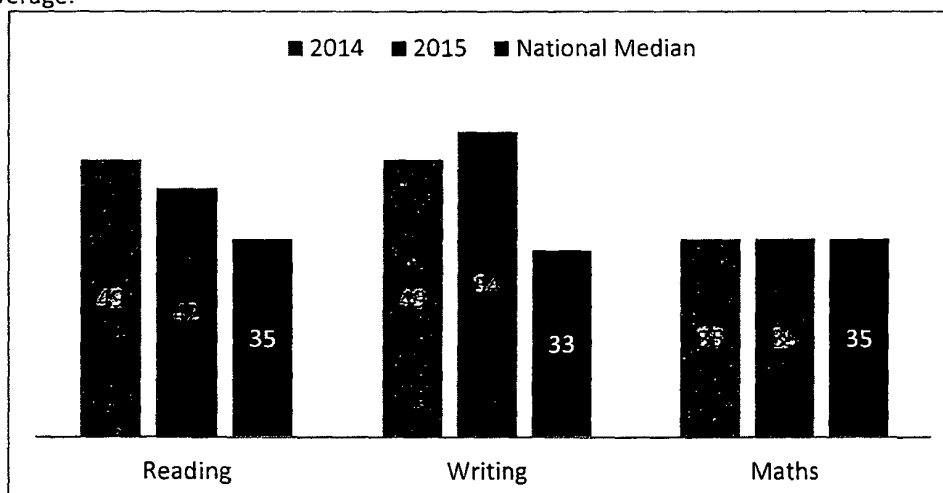
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However KS2 SATs level 5+ attainment exceeded national in both SPAG 56% (national 48%) and Writing 33% (national 30%). Though Maths 5 plus attainment is still 6% below National it continues to improve and close the gap.

Combined Reading, Writing and Maths attainment suffered a slight dip to 68% but still exceeded floor, 65%, but remains below national at 79%.

We met progress floor targets exceeding national median in writing this year with 97% making expected 2 levels progress across KS2. Maths and reading remain a key focus for improvement next year. The percentage of students making better than expected progress across KS2 in all areas met or exceeded national average.



The Pupil Premium attainment gap has been significantly closed year on year particularly in Writing and Maths.

Expected Progress across KS2 is broadly in line with national and 'better than expected progress' exceeds national – in all but pupil premium Maths. There is an in-school gap in Reading, expected progress rates pupil

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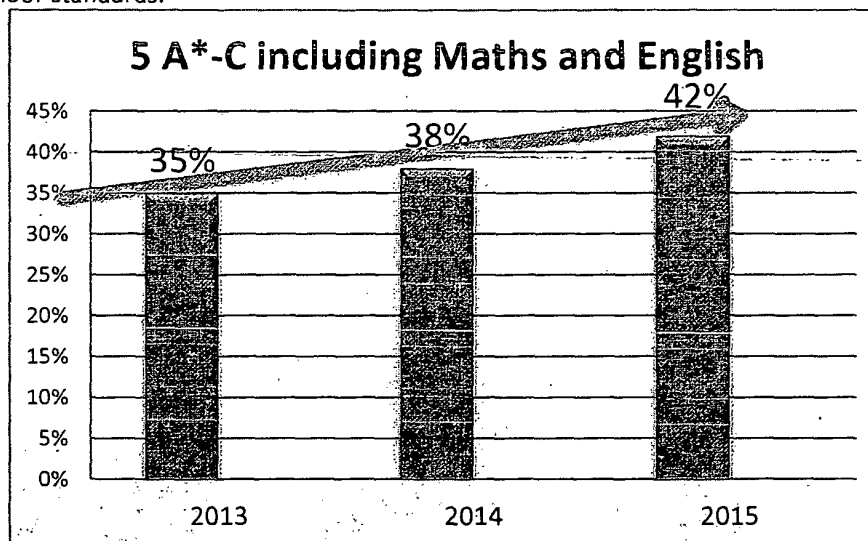
premium (87%) other pupils (96%). To continue to close the attainment gap more pupil premium pupils need to make better than expected progress.

	Expected progress				Better than expected progress			
	School			National	School			National
	All pupils 100%	Pupil Premium 47%	Other pupils 53%	Other pupils	All pupils 100%	Pupil Premium 47%	Other pupils 53%	Other pupils
Reading	90%	87%	96%	91%	42%	42%	58%	35%
Writing	97%	100%	100%	93%	54%	42%	58%	33%
Maths	84%	87%	88%	90%	35%	23%	50%	35%

Key Stage 4

The total number of students in the Year 11 cohort for this academic year was 178.

Our Key Stage 4 results continued its steady upward trajectory and though not where we aspired to be met Government floor standards.



Other performance indicators also saw a continued upward trend including our combined Maths and English increasing to 48.88% A*-C. There was also an increase in the % of entries achieving grades A*-Cs, students attaining 8 A*-C has increased from 14% 2014 to 26% 2015 and 5 A*-C another increase from 41% to 47%. Our top end grades bucked national trends seeing an increase in students gaining 5 A* to B grades from 14% 2014 to 21% in 2015.

Our KS4 average point score per student rose from 250 to 272 in this academic year.

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Under the new 2016 performance indicators the Academy's Progress 8 score was overall -0.51. For English and Maths both progress scores were good Maths -0.29 and English -0.32. Expected progress in English and Maths continued to close the gap on national progress figures. English expected progress increased from 60% to 64% and Maths expected progress increased from 47% to 59%. This included a 10% increase in A*-C in the English Baccalaureate 2014 7.65% to 2015 17.42%.

Though most of our sub-groups saw improvements, there are key areas that need to be improved in the next academic year including the progress of our White British pupils and SEN students, both of which saw a dip in results in 2015.

Our Pupil premium gap is closing with students attaining 5A*-C including Maths and English went from 2014 26.88% to 2015 34.83% (Non pupil premium 46.07% 2015). The percentage of G&T students making more than expected progress was above National in both English 52.63% (Nat. 32%) and Maths 52.63% (Nat. 46%) and overall G&T attainment was sustained at 95% achieving 5 A*-C including Maths and English. EAL students achieving 5A*-C including Maths and English also improved from 49.02% to 52.83%.

Key Stage 5

Key Stage 5 outcomes were the best the Academy have seen. Attainment across both A Level and Vocational Courses at the end of year 13 achieved record results.

A2 results at the top end A*/A nearly doubled from the previous year from 5.6% in 2014 to 10% in 2015. In addition to this our A*- C outcomes continue to improve increasing by 6% to 55%. The table below gives a brief summary of grades achieved across both A Level year 13 and Vocational Qualifications.

Students on vocational courses also continued the success at Key Stage 5 with a 17% increase from 24.1% to 41% in 2015 of students achieving Distinction*.

	2014		2015	
	Entries	%	Entries	%
Year 13 A2				
A*	1	1.41%	2	2.50%
A*-A	3	5.63%	8	10.00%
A*-B	17	23.94%	21	26.25%
A*-C	35	49.30%	44	55.00%
A*-D	55	77.46%	68	85.00%
A*-E	67	94.37%	75	93.75%
Fail	4	5.63%	5	6.25%
Year 13 BTEC				
Distinction*	22	24.18%	41	41.00%
Distinction	34	37.36%	26	26.00%
Merit	27	29.67%	19	19.00%
Pass	8	8.79%	12	12.00%
Fail	0	0.00%	2	2.00%

Our analysis of A2 saw the APS for A Level students at 57% and L3 Vocational students at 60%. This remains to

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

be validated.

Behaviour and Safety

The behaviour wellbeing and safety of our students remains one of our highest priorities at the Academy. We strive to ensure that policies and strategies implemented protect our pupils inside and outside of the Academy community. This academic year saw the launch of our Restorative Justice systems to run in parallel to our behaviour management policy, to begin to build a culture where students take more responsibility for their own behaviours. This initiative will continue to be embedded in the next Academic year.

Overall attendance for academy, Y1-Y11, was 94.8% which is an improvement from last year. The overall attendance for the academy would have risen to 95% however the figure was impacted by the 8 excluded Y10 students who lost a large number of sessions. Primary attendance was 96.8% and Secondary 93.7% as a result from the year 10 exclusions.

Persistent Absence (PA) decreased in 2014/15 and at end of year was at 6.4% across the academy with 3.2% in Primary, down from 3.8% and 8.3% in Secondary, down from 10%.

From September 2015 PA will be calculated differently and will be based on 10% absence rather than 15% absence. In 2014/15 at 10% absence PA (autumn to spring term) fell from 14.9% (Whole Academy) to 13.6% (Whole Academy) over the same period as last year and attendance will continue to be a focus across the school.

Going Concern

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

Last year, governors reported the activities that had been undertaken to preserve the Academy's going concern, which culminated in deficit and restructuring funding from the EFA between March and December 2014. In total, £1.045 million additional funding was provided, and Trustees have agreed a schedule of repayments over a period up to 2021-22. The EFA issued a Financial Notice to Improve in November 2014, which included actions and limits under which we must operate. We have complied with these requirements, and have implemented a financial recovery plan that underpins this expectation of going concern.

Our General Annual Grant from the EFA is assured for the foreseeable future; under the terms of our funding agreement, the Department for Education would have to provide seven years' notice of termination. No such notice has been given.

FINANCIAL REVIEW

During this year, we have delivered a surplus and made significant inroads against our net liability position. Excluding the non-cash adjustments required to reflect the revised accounting for the photocopying leases

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described below, our results show for unrestricted funds:

£000	2014-15	2013-14
Revenue	9,754	10,155
Expenditure	9,317	10,541
Surplus/(Deficit)	437	(387)

This has allowed us to improve our balance sheet position. Excluding the EFA deficit funding, we now have a net current asset position of £295,000 (31 August 2014, net current liabilities of £340,000). Incorporating the short term impact of the EFA deficit and the change in accounting for the photocopier lease, our net current asset position was £94,000 at 31 August (£553,355 net current liability at 31 August 2014).

This turn around has been underpinned by deficit funding from the EFA, which is repayable over the period to 2021-2022, interest free. However, we have also conducted a restructuring and cost-reduction exercise to eliminate the deficit and to manage cashflow. We now have a stable financial foundation to help us meet the upcoming challenges in the sector.

We received £702,000 of deficit funding in 2013-14, and a further £243,000 in 2015-16. In addition, we received £120,000 to fund a restructuring exercise. The total received from EFA over the two years was £1,045,000. We have agreed to repay at least £790,000 over the period 2014-15 to 2021-22 as student numbers increase, with further payment subject to discussion depending on our financial results. Income has been released to the SOFA where it matches expenditure (restructuring), with a corresponding long term debt for the deficit funding in the balance sheet.

As a result of the request for deficit funding, EFA issued a Financial Notice to Improve. This followed the development of a Financial Recovery Plan. The EFA required the Academy to address the cumulative deficit and cashflow positions, and to deliver a sustainable financial model, including balanced budgets, moving forward. We have implemented our financial plan, and we are ahead of schedule in terms of delivering a sustainable financial model. We face a challenging two years before student numbers start to rise again consistently, but now have plans in place to manage through that period, and establish a platform on which to build in the future.

The EFA also require the Academy to develop an action plan to ensure strong governance and oversight is in place. During the period, governors held an externally-facilitated review of governance, and developed an action plan to improve governance and the effectiveness of governors. Actions taken during the year include establishment of governor sub-committees with updated and refined terms of reference, plus appointment of an accountant to chair the Finance and General Purposes Committee. We will conduct annual reviews of progress and effectiveness in future years to ensure an ongoing development of governors and governance.

The financial statements include a prior period restatement. This relates to the accounting for the lease for photocopying and printing equipment. Following an in-year review of the substance of the arrangements, the Academy concluded that the existing contract effectively comprised a finance lease. We have restructured the finance to allow us to spread the costs at a better interest rate, as part of our financial recovery plan. As part of this, we have gained title to the assets but continue to repay the debt. We have reworked the accounting treatment to reflect this arrangement, which has included a restatement of prior periods as the lease was originally entered in 2012. This restatement does not affect funding or cashflow, and does not represent additional investment of purchasing. The impact of this restatement on this year's financial position against the position that would have been reported if no restatement had been made is:

- A net increase to the unrestricted fund deficit balance of £365,000 at 31 August 2015; and

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- An increase to the net movement of reserves in 2014-2015 of £168,000, reflecting that lease payments are now allocated to debt reduction in the balance sheet as well as service and finance charges.

The debt will be eliminated in May 2018. More detail is provided in note 23 to the accounts.

Reserves Policy

The Trust has negative unrestricted reserves. It has agreed a financial plan with EFA to eliminate this deficit by 2017-18, excluding deficit funding. On repayment of the deficit funding balance by 2021-22, the Academy will have developed a self-sustainable financial position. The deficit is being managed by, initially, applying a rigorous cost-saving programme, and then delivering small surpluses to reduce the deficit. This will be achieved as student numbers rise.

The deficit on the pension fund relates to the Academy's share of the obligations under the Local Government Pension Scheme (LGPS). Any cashflows as a result of this deficit occur over a number of years, as determined by the Pensions Administrator, through employer contributions. Parliament has agreed, with effect from 18 July 2013, that, in the event of an academy closure, outstanding LGPS liabilities would be met by the Department for Education. At 31 August 2015 the total funds comprised:

Unrestricted	£(1,705,221)
Restricted: Fixed asset funds	£27,883,811
Pension reserve	£(689,000)
Government Funding	<u>£665,077</u>
	<u>£26,154,667</u>

Government grant is taken to a restricted fund. In previous years, where a deficit has occurred, a transfer from unrestricted funds has been made to this government-grant (GAG) reserve to cover those deficits (as a deficit cannot be made against a restricted fund). The deficit on the unrestricted funds reflects therefore cumulative deficit brought forward, with in-year movement relating to activities on unrestricted income (donations and commercial activities).

Investment Policy

The Memorandum of Association enables the Academy to "invest the monies of the Trust not immediately required... in such investments, securities or property as may be thought fit [by governors]". As the Academy's current funding is mainly by way of revenue grant from EFA, this is applied to the provision of education for that year, there are no surpluses to invest longer term.

Short term cash surpluses are put on overnight deposit. Government grant is payable monthly, and governors have determined that the Academy should seek to build and maintain adequate short term instant-access cash to enable it to manage immediate liabilities between grant payments

Principal Risks and Uncertainties

The Trustees regularly review the risks faced by the Academy, and the systems of governance in place to manage and monitor those risks. The Finance and General Purposes Committee of Governors considers the risk register at each meeting across the following areas of risk:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- Academic achievement and progression;
- Safeguarding and student safety;
- Financial;
- Health and safety;
- Facilities and premises;
- Governance; and
- Human resources

The principal risks and uncertainties faced by the Academy:

- Student numbers. Funding is linked directly to student numbers, and so the Academy models future intakes using the local authority commissioning plans. The secondary school can accommodate up to 1350 students, but currently has 911, and this creates pressure on funding. Primary will reach capacity in 2016-17, and these numbers will then flow through to Secondary in future years;
- Academic results. The Academy is on an upwards trajectory for attainment across all key stages, but results and progress are below the level we believe we can achieve. The Academy will need to show sustained improvement in results to satisfy the requirements of the Department for Education, and we have developed a plan for delivering sustainable exam results and student progression.
- Funding levels. The Academy is funded by grant from government, who have undertaken to maintain grant per student at current cash levels. This creates strain on budgets as expenditure is subject to general and wage inflation. The Academy has prepared long term financial forecasts in order to identify and manage those challenges;
- Financial stability. The Academy is subject to a Financial Notice to Improve, issued in November 2014, and has developed a strategic financial plan to deliver balanced budgets and address the historic cumulative deficit. Significant progress has been made this year to create a stable financial position on which we can tackle the funding and other challenges ahead;
- Governance. Governors identified a need to develop its governance to meet the ever changing demands of the sector, and this was also reflected in the Financial Notice to Improve. The Academy has restructured governors during the year, and undertaken a programme to bolster the effective operation of governance to oversee the Academy's strategic and operational plans.

The Academy has created a solid and stable foundation to tackle the challenges ahead after a period of transition and financial difficulty. This is overseen by governors (trustees), and the Academy is regularly monitored by the EFA and DfE.

The Academy's financial instruments are largely limited to day-to-day creditors and debtors. Cash is held in instant access accounts, and the Academy is not exposed to any significant risk in these areas. The Academy holds two debt instruments of note:

- A deficit funding balance with EFA. This is interest free, and repayable over the period to 2021-22;
- A loan relating to our photocopiers and multi-function devices, which was restructured during the financial year. This is explored in the prior period adjustment note.

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Neither instrument is secured on Academy assets, and repayments are factored into the Academy's balanced budgets. The deficit funding has allowed the Academy to manage its exposure and financial risk, and the restructuring of the lease payments for the photocopiers is part of the strategic financial plan to manage the cashflow risk. In the longer term, the Academy is building sustainable internal reserves to avoid the need for external debt instruments, in line with the EFA's Academies Financial Handbook. The Academy plans a sustainable net current asset position before taking account of the deficit funding by August 2017, and to remove the deficit funding by August 2022. The photocopier loan will be extinguished by April 2018.

PLANS FOR FUTURE PERIODS

The Academy plans to strengthen its educational results and build on its financial stability over the next 5 years. Investment will be dependent on grant funding, and will be with the objective of providing improved educational services to its students. In particular, the Academy aims to:

- Raise attainment and student progress through the development of teaching and learning and underlying systems, in accordance with our whole school improvement plan;
- Achieve a sustainable Ofsted Good rating, with the aim of moving to outstanding within 5 years;
- Develop the provision of sports and performing arts;
- Increase student numbers across the Academy through enhancing our reputation and results.

Governors and members are currently in discussion with the Department for Education regarding the terms of the funding agreement. The Academy's agreement pre-dates the standard academy funding agreement that is now established for new institutions, and the Department has asked the Academy to consider migrating to the new arrangement. Governors are currently evaluating the differences and impacts.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy holds 16-19 bursary funds, which are provided by the EFA for payment to post 16 students who meet the eligibility criteria. This is part of the overall post 16 funding, and balances held at 31 August are shown in the balance sheet. No other funds are held on behalf of others.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

In so far as the trustees are aware:

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

The trustees have appointed MHA Macintyre Hudson as auditors for the 2014-15 financial year, following an open competitive tender.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ¹⁷~~15~~ December 2015 and signed on the board's behalf by:



Richard Elms

Chair of Trustees

¹⁷~~15~~ December 2015

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 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
R Elms, Chair	3	3
T Garnham, Chair	3	3
P Chandler	1	3
L Famubode, Parent Governor	1	1
V Garnham	1	1
N Greenwood	3	3
S Imbert	1	2
B Ishola	1	1
S Jackson	1	2
L Knights	0	0
J Morris*, Staff Governor	0	0
M Ogundayo	2	2
F Ogunde*, Staff Governor	2	3
R Walker*, Staff Governor	3	3
C Cassels	0	0
V Garnham	1	1
J Pugh*, Staff Governor	3	3
S Neville	1	1
D Shadwell OBE	2	2

*specifies those governors who are remunerated in their capacity as employees of the Academy

L Knights became a governor and trustee after the final meeting for the year, but prior to the year end. The governors are also trustees of the trust and directors of the Academy for the purposes of company law. The Principal is an ex-officio governor, but is not a director or trustee.

Governors initiated an externally-facilitated workshop to assess effectiveness and compliance in January 2015, as part of the Academy's development of governance. Critical actions to arise from that evaluation include:

- Development of a five year strategy for the Academy, and this forms the basis of the future developments section within the trustees' report;
- A skills audit, and implementation of support for governors. Training is now provided for governors, and trustees have appointed an accountant to the Board to provide financial expertise;

Governors will conduct an annual review of progress and effectiveness to monitor development.

BEXLEY BUSINESS ACADEMY LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

No trustee received remuneration from the Academy in respect of their duties as a trustee during the period. No qualifying third party indemnity provision per Companies Act Section 236 is provided to directors, although general liability insurance was obtained for the period. Expenses are payable in line with the general Academy expenses policy.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to consider and advise the governing body on matters relating to finance, premises and personnel. This includes health and safety.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
T Garnham (chair)	2	2
R Elms	2	2
P Chandler	2	2
N Greenwood	1	1
F Ogunde	1	1

The Finance and General Purposes Committee has delegated responsibility from the Board for financial scrutiny and oversight, and is normally attended by the Principal, as Accounting Officer, and the Finance Director. This committee also fulfils the role of audit committee, and the auditors are invited annually to present the outcome of their audit and findings.

During the year, it monitored our financial position and advised the Board on financial issues. The recovery plan and issues around the Financial Notice to Improve were dealt with primarily through the main Board of Governors.

The Standards Committee was established during the year, and is also a sub-committee of the main board of trustees. Its purpose is to consider and advise the governing body on matters relating to curriculum, quality and standards.

This committee was established towards the year end, following governors' review of the effectiveness and governance. It met once to establish its terms of reference.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Elms	1	1
S Imbert	0	1
M Ogundayo	0	1
J Pugh	1	1
R Walker	0	1

REVIEW OF VALUE FOR MONEY

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. Value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received, and has specific reference to:

- the economic, efficient and effective use of all the resources in their charge;
- the avoidance of waste and extravagance;
- the prudent and economical administration of the organisation

BEXLEY BUSINESS ACADEMY LIMITED
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GOVERNANCE STATEMENT (continued)

- the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting; and
- ensuring all financial transactions represent value for money

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by focusing resources on the Academy's strategic objectives. Examples include:

- Developing teaching and learning underlying systems to focus on educational achievement and progress, adopting restorative and solution-focused interventions to support students' progress. This has been underpinned, for example, by an improvement in forecasting, to allow tailored interventions for individual students and classes. Initiatives such as PiXL and EdLounge support these interventions;
- Restructuring staffing to deliver an affordable workforce that is aligned to strategic priorities;
- Applying rigorous budgetary and financial management policies to deliver balanced budgets, for example, through adopting a risk-based evaluation of need for maintenance, and market testing suppliers. This has included using government frameworks to access better supplier rates.

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 the Academy Trust for the year 1 September 2014 to 31 August 2015 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 period to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

A restructuring of senior leadership took effect from 1 September 2014, with the appointment of a new Principal and Accounting Officer. Throughout the current period, governors and governance have been developed to support the needs of the Academy, and to ensure that it has the capacity to handle the risk and to develop the strategic direction of the Academy. This has included establishment of a Standards sub-committee, and clarification on the terms of reference for all committees. In addition, new governors have been appointed to ensure that the Board has the skills and experiences to conduct its role effectively.

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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
 - regular reviews of educational performance, including the setting of targets and the monitoring of management information
 - setting targets to measure financial and other performance
 - clearly defined purchasing guidelines.
-

BEXLEY BUSINESS ACADEMY LIMITED
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GOVERNANCE STATEMENT (continued)

- 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 not to appoint an internal auditor. However, the Trustees have appointed the external auditor to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular checks carried out in the current period included:

- testing of purchase systems
- testing of control account/bank reconciliations

On completion of work, the reviewer reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer, the Principal 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 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 General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

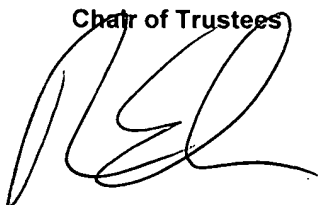
During the year, the EFA issued a Financial Notice to Improve, following a process that started in 2013-14 to develop a recovery plan. The remaining deficit and restructuring funding was paid to the Academy in 2014-15 in line with that plan to enable the Academy to address the underlying causes of the accumulated deficit and cashflow difficulties. The Academy has addressed those issues, and has delivered a surplus for 2014-15 against its annual grant (as shown in the financial statements in restricted and unrestricted funds, excluding fixed asset fund, which is largely funded by separate grant, and pension movements).

The Academy has also addressed the performance management systems reported in the 2013-14 governance statement including:

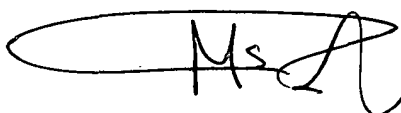
- Improvement to underlying academic data systems;
- Development of the curriculum and associated teaching and learning techniques;
- Establishment of an appropriate staff performance management system.

Approved by order of the members of the board of trustees on ¹⁷~~18~~ December 2015 and signed on its behalf, by:

Richard Elms
Chair of Trustees



Mark Pinchin
Accounting Officer



BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

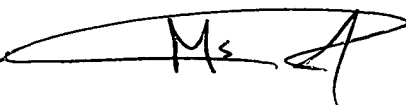
As accounting officer of the Academy Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 (2014).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

The EFA issued a Financial Notice to Improve in November 2014 following the deficit incurred in 2013-14 and the associated financial difficulties. During the period covered by this report, we have complied with the terms of that notice and there have been no further instances of non-compliance with the Financial Handbook.

Mark Pinchin
Accounting Officer



Date: ~~15~~ December 2015

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BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of Bexley Business Academy Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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:

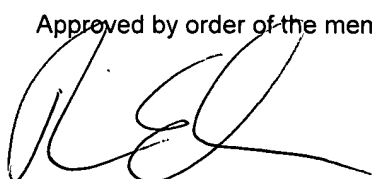
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 on ¹⁷18 December 2015 and signed on its behalf by:



Richard Elms
Chair of Trustees

BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEXLEY BUSINESS ACADEMY LIMITED

We have audited the financial statements of Bexley Business Academy Limited for the year ended 31 August 2015 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 2014 to 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

EMPHASIS OF MATTER- GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosure concerning the academy's ability to continue as a going concern. We highlight that note 1.5 details the conditions relating to the academy's ability to continue as a going concern in respect of which there exists a material uncertainty.

BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEXLEY BUSINESS ACADEMY LIMITED

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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.

MHA MacIntyre Hudson

Duncan Cochrane-Dyet FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

31 St George's Place

Canterbury

Kent

CT1 1XD

Date: *22 December 2015*

BEXLEY BUSINESS ACADEMY LIMITED

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BEXLEY BUSINESS ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19th August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bexley Business Academy Limited during the year 1 September 2014 to 31 August 2015 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 Bexley Business Academy Limited and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bexley Business Academy Limited and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bexley Business Academy Limited and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BEXLEY BUSINESS ACADEMY LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Bexley Business Academy Limited's funding agreement with the Secretary of State for Education dated December 2001, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and

BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BEXLEY BUSINESS ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY (continued)

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

In the course of our work, except for the matter listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MATTER 1- FINANCE LEASE

In February 2012, the Bexley Business Academy Limited had entered into a lease agreement for the provision of photocopiers. The lease was considered at that time by the trustees to be an operating lease and was accounted for as an operating lease.

In the year ended 31 August 2015 the Accounting Officer has reviewed the lease agreement and concluded that it should have been accounted for as a finance lease. A prior year adjustment has been made. Under the funding agreement of the academy with the Secretary of State for Education, finance leases require prior year approval from the Education Funding Agency, in accordance with the Academies Financial Handbook 2015 3.9.3. This approval had not been sought when the lease was taken out, as it was not considered to be a finance lease. Details of the lease are included in note 21.


Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

31 St George's Place
Canterbury
Kent
CT1 1XD

Date: *22 December 2015*

BEXLEY BUSINESS ACADEMY LIMITED**(A company limited by guarantee)**

STATEMENT OF FINANCIAL ACTIVITIES**(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted funds - fixed assets 2015 £	Total funds 2015 £	As restated Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	67,236	17,500	84,736	87,459
Investment income	3	408	-	-	408	277
Incoming resources from charitable activities	4	-	9,325,008	37,312	9,362,320	9,852,675
Other incoming resources	5	66,290	239,906	-	306,196	295,273
TOTAL INCOMING RESOURCES		66,698	9,632,150	54,812	9,753,660	10,235,684
RESOURCES EXPENDED						
Charitable activities		81,094	8,906,723	1,111,485	10,099,302	11,501,588
Governance costs	6	-	34,575	-	34,575	88,839
TOTAL RESOURCES EXPENDED	9	81,094	8,941,298	1,111,485	10,133,877	11,590,427
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(14,396)	690,852	(1,056,673)	(380,217)	(1,354,743)

BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted funds - fixed assets 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Transfers between Funds	22	-	(48,775)	48,775	-	-
NET EXPENDITURE FOR THE YEAR		(14,396)	642,077	(1,007,898)	(380,217)	(1,354,743)
Actuarial gains and losses on defined benefit pension schemes		-	(216,000)	-	(216,000)	492,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(14,396)	426,077	(1,007,898)	(596,217)	(862,743)
Total funds at 1 September 2014		(1,042,544)	(450,000)	28,777,009	27,284,465	28,313,693
Prior year adjustment (Note 21)		(648,281)	-	114,700	(533,581)	(700,066)
TOTAL FUNDS AT 31 AUGUST 2015		(1,705,221)	(23,923)	27,883,811	26,154,667	26,750,884

All activities relate to continuing operations.

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

The notes on pages 30 to 53 form part of these financial statements.

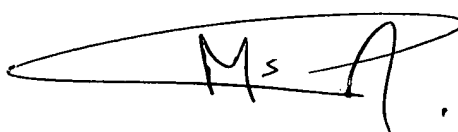
BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 04233659 (ENGLAND & WALES)

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	As restated 2014 £
FIXED ASSETS				
Tangible assets	16		27,883,811	28,891,708
CURRENT ASSETS				
Stocks	17	-		6,041
Debtors	18	390,278		507,737
Cash at bank and in hand		809,401		112,945
		<u>1,199,679</u>		<u>626,723</u>
CREDITORS: amounts falling due within one year	19	<u>(1,105,562)</u>		<u>(1,180,078)</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>94,117</u>	<u>(553,355)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,977,928</u>	<u>28,338,353</u>
CREDITORS: amounts falling due after more than one year	20		<u>(1,134,261)</u>	<u>(1,137,469)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>26,843,667</u>	<u>27,200,884</u>
Defined benefit pension scheme liability	27	(689,000)		(450,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>26,154,667</u></u>	<u><u>26,750,884</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	22	(23,923)		(450,000)
Restricted funds - fixed assets	22	<u>27,883,811</u>		<u>28,891,709</u>
Total restricted funds			<u>27,859,888</u>	<u>28,441,709</u>
Unrestricted funds	22		<u>(1,705,221)</u>	<u>(1,690,825)</u>
TOTAL FUNDS			<u><u>26,154,667</u></u>	<u><u>26,750,884</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 17 December 2015 and are signed on their behalf, by:


Chair of Trustees


Ms A

The notes on pages 30 to 53 form part of these financial statements.

BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	As restated 2014 £
Net cash flow from operating activities	24	693,030	135,053
Returns on investments and servicing of finance		408	277
Capital expenditure and financial investment		3,018	2,036
INCREASE IN CASH IN THE YEAR		696,456	137,366

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	As restated 2014 £
Increase in cash in the year	696,456	137,366
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	696,456	137,366
Prior year adjustment re: photocopier lease	151,208	-
MOVEMENT IN NET (DEBT)/FUNDS IN THE YEAR	847,664	137,366
Net debt at 1 September 2014	(322,524)	(459,890)
NET FUNDS/(DEBT) AT 31 AUGUST 2015	525,140	(322,524)

The notes on pages 30 to 53 form part of these financial statements.

BEXLEY BUSINESS ACADEMY LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Group accounts have not been prepared as all of the academy's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the academy as an individual undertaking and not about its group.

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 funders where the asset acquired or created is held for a specific purpose.

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

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

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

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.

At the end of the year, the Academy had negative unrestricted reserves of £1,705,221 (2014: negative £1,690,825) and a negative net movement in total funds of £596,217 (2014: negative net movement of £862,743). During the year, the Academy agreed a financial recovery plan with the Education Funding Agency, who provide additional funding to support that plan. This funding is repayable over the period to 2021-22, and is shown in the balance sheet as a debt. This has helped deliver a net current position at 31 August. The Academy remains on track against the recovery plan and the conditions, within the EFA's Financial Notice to Improve, cashflow has improved significantly since the last reporting period and the negative net movement on funds has reduced.

Student numbers will start to increase from 2016-17, and this will support the financial recovery. The Trustees have considered the plans and have assessed the Academy's financial position and future viability. The Trustees consider that the use of going concern remains appropriate, and that no further disclosures relating to the Academy's ability to continue as a going concern need to be made in the financial statements.

BEXLEY BUSINESS ACADEMY LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 with an expected useful life exceeding one year 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Freehold buildings	-	2% straight line basis
Motor vehicles	-	25% reducing balance basis
Fixtures and fittings and equipment	-	20% straight line basis
Computer equipment	-	33.3% straight line basis

1.7 Investments

The Academy's shareholding in the wholly owned subsidiary Bexley Business Academy Education Service Limited is included in the balance sheet at nil cost. There is no readily available market value as the subsidiary is dormant.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.8 Leasing commitments and prior year adjustment

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

Assets acquired under finance lease or hire purchase arrangement are capitalised at cost, calculated as the net present value of future lease payments.

The liability for the finance lease is recorded as an equal and opposite charge to the asset. This uses the implicit interest rate within the agreement. Interest is charged to the SOFA, and the capital is reduced over the period of the agreement by reference to the payment, the calculated interest charge and monthly service charge element.

Academies are not normally permitted to enter finance leases but, as explained in the prior period note, retrospective analysis of a single lease has led the Academy to reclassify it as a hire purchase lease as the Academy has effectively acquired the risks and rewards of ownership through the terms and conditions of the arrangement. In restating the comparative figures, the Academy has recognised the assets subject to the lease as tangible fixed assets, and subsequently has conducted an impairment review to ensure these fixed assets are carried at the lower of cost and fair value, calculated as depreciated replacement cost. The lease payments have been recognised as a lease liability until the restructuring of the debt in May 2015. The impact of the prior year adjustment is detailed in Note 21.

From June 2015, the asset is carried at depreciated replacement cost, and the restructured debt is being carried at fair value, calculated by using the interest rate implicit within the contract. The asset has a 5 year asset life, which will expire in March 2017, whilst the debt runs to May 2018.

1.9 Stocks

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

1.10 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.

BEXLEY BUSINESS ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Contributions received from The Garrard Family Foundation	-	74,164	74,164	63,520
Other donations	-	10,572	10,572	23,939
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	84,736	84,736	87,459
	<hr/>	<hr/>	<hr/>	<hr/>

BEXLEY BUSINESS ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	408	-	408	277

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Charity incoming resources	-	9,362,320	9,362,320	9,852,675

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	8,059,052	8,059,052	8,956,143
Other EFA grants	-	1,138,964	1,138,964	747,723
EFA capital grants	-	18,539	18,539	29,751
Other Government grants	-	145,765	145,765	119,058
	-	9,362,320	9,362,320	9,852,675

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	-	1,901	1,901	2,945
Uniform sales	9,130	-	9,130	10,421
Nursery income	29,911	-	29,911	32,335
Other income	27,249	238,005	265,254	249,572
	66,290	239,906	306,196	295,273

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	13,550	13,550	14,000
Legal and professional fees	-	2,740	2,740	57,020
Other services	-	-	-	900
Governance auditors non- audit fees	-	3,250	3,250	-
Wages and salaries	-	15,035	15,035	16,919
	-	34,575	34,575	88,839

Wages and salaries are a recharge of non- governor staff time on governance issues, calculated by apportionment using an estimate of time spent on these activities.

7. DIRECT COSTS

	Activities £	Total 2015 £	As restated Total 2014 £
Education supplies	479,212	479,212	577,705
Exam fees	91,714	91,714	84,557
Training and development	20,081	20,081	42,450
Depreciation	1,059,691	1,059,691	1,130,629
Other direct costs	150,619	150,619	228,988
Wages and salaries	4,971,713	4,971,713	5,426,221
National insurance	347,764	347,764	396,441
Pension cost	523,007	523,007	559,487
	7,643,801	7,643,801	8,446,478

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. SUPPORT COSTS

	Governance £	Activities £	Total 2015 £	As restated Total 2014 £
Recruitment and other staff costs	-	110,273	110,273	140,040
Maintenance costs	-	110,006	110,006	191,586
Cleaning	-	172,175	172,175	174,779
Rent and rates	-	406,497	406,497	465,687
Insurance	-	88,633	88,633	96,628
Security	-	19,954	19,954	56,424
Catering	-	259,640	259,640	273,390
Other supplies and services	3,250	152,575	155,825	145,561
Interest costs defined benefit scheme	-	(59,000)	(59,000)	(6,000)
Wages and salaries	15,035	913,728	928,763	1,197,749
National insurance	-	68,249	68,249	94,601
Pension cost	-	212,771	212,771	224,665
	<u>18,285</u>	<u>2,455,501</u>	<u>2,473,786</u>	<u>3,055,110</u>

9. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	As restated Total 2014 £
Direct costs	5,842,484	1,801,317	7,643,801	8,446,478
Support costs	1,194,748	1,260,753	2,455,501	3,055,110
Charitable activities	<u>7,037,232</u>	<u>3,062,070</u>	<u>10,099,302</u>	<u>11,501,588</u>
Governance	<u>15,035</u>	<u>19,540</u>	<u>34,575</u>	<u>88,839</u>
	<u>7,052,267</u>	<u>3,081,610</u>	<u>10,133,877</u>	<u>11,590,427</u>

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

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the academy	154	-	
Stock losses	4,359	-	
Unrecoverable debts	562	-	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	As restated Total 2014 £
Direct costs	<u>7,643,801</u>	<u>2,455,501</u>	<u>10,099,302</u>	<u>11,501,588</u>

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	As restated 2014 £
Operating lease rentals: - plant and machinery	227,145	222,171
Audit fees	13,550	14,000
Auditors non audit fees	3,250	900
Depreciation	1,059,691	1,086,229
Finance lease interest	<u>19,168</u>	<u>41,940</u>

12. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the academy's auditor for the audit of the academy's annual accounts	<u>13,550</u>	<u>14,000</u>
Fees payable to the academy's auditor in respect of: All non-audit services not included above	<u>3,250</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	5,339,268	6,326,412
Social security costs	416,013	491,042
Other pension costs (Note 27)	735,778	784,152
	<u>6,491,059</u>	<u>7,601,606</u>
Supply teacher costs	364,817	284,477
Staff restructure costs	196,391	30,000
	<u><u>7,052,267</u></u>	<u><u>7,916,083</u></u>

b. Staff numbers

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

	2015 No.	2014 No.
Teaching staff	82	98
Teaching support	73	81
Management and administration	28	33
Other (including catering)	6	9
	<u>189</u>	<u>221</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	2
In the band £100,001 - £110,000	1	0
In the band £120,001 - £130,000	1	1
In the band £130,001 - £140,000	0	1
	<u><u>0</u></u>	<u><u>1</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. STAFF (continued)

All of these members of staff were members of the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff members amounted to £84,102 (2014: £89,418).

14. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees do not receive remuneration in their role as Trustees. The Principal and other staff who are also Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of staff Trustees' remuneration and other benefits was as follows:

M Pinchin (principal):

Remuneration £125,000- £130,000 (2014: N/A)

Employers pension contributions £15,000- £20,000 (2014: N/A)

S Elms (staff trustee):

Remuneration £100,000- £105,000 (2014: £130,000- £135,000)

Employer's pension contributions £10,000- £15,000 (2014: £15,000- £20,000)

J Pugh (staff trustee) to 17/06/15:

Remuneration £20,000- £25,000 (2014: £25,000- £30,000)

Employers pension contributions Nil

R Walker (staff trustee):

Remuneration £45,000- £50,000 (2014: N/A)

Employers pension contributions £5,000- £10,000 (2014: N/A)

F Ogunde (staff trustee) from 21/10/14:

Remuneration £40,000- £45,000 (2014: N/A)

Employers pension contributions £5,000- £10,000 (2014: N/A)

J Morris (staff trustee) from 11/06/15:

Remuneration £0- £5,000 (2014: N/A)

Employers pension contributions £0- £5,000 (2014: N/A)

During the year, Trustees as a whole received reimbursement of expenses totalling £2,907 (2014- £2,149).

15. 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 2015 was £5,503 (2014 - £5,504). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 September 2014 (as restated)	36,325,548	55,811	8,382,674	44,764,033
Additions	-	-	51,794	51,794
At 31 August 2015	36,325,548	55,811	8,434,468	44,815,827
Depreciation				
At 1 September 2014 (as restated)	8,279,657	40,048	7,552,620	15,872,325
Charge for the year	726,511	3,941	329,239	1,059,691
At 31 August 2015	9,006,168	43,989	7,881,859	16,932,016
Net book value				
At 31 August 2015	27,319,380	11,822	552,609	27,883,811
At 31 August 2014 (as restated)	28,045,891	15,763	830,054	28,891,708

Ownership of the land was transferred to the Academy from the Local Authority on 2 May 2008. The Local Authority retains an option for a period of twenty one years from 2 May 2008 which would allow the repurchase of the land and buildings thereon for the sum of £1 if the activities of the Academy cease or if EFA funding is withdrawn. In view of this restrictive covenant, no value has been placed on the land.

17. STOCKS

	2015 £	2014 £
Uniform	-	6,041

Stock relates to primary school uniform. During the year, the Academy decided to outsource the supply of uniform. We continued to sell existing stocks, and the year end position related to obsolete stock. The Academy decided to write off remaining stock.

18. DEBTORS

	2015 £	2014 £
Trade debtors	13,619	10,757
Other debtors	24,276	19,573
Prepayments and accrued income	352,383	477,407
	<u>390,278</u>	<u>507,737</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. CREDITORS:
Amounts falling due within one year

	2015 £	As restated 2014 £
Trade creditors	325,785	471,072
Other taxation and social security	114,487	143,219
Other creditors	201,203	212,816
Accruals and deferred income	464,087	352,971
	<u>1,105,562</u>	<u>1,180,078</u>

Deferred income

Deferred income at 1 September 2014	152,509
Resources deferred during the year	201,111
Amounts released from previous years	<u>(103,305)</u>
Deferred income at 31 August 2015	<u>250,315</u>

At the balance sheet date the academy trust was holding funds received in advance for EFA grants made up of Devolved Formula Capital, 16-19 Bursary, Infant FSM, PE Teachers grant, Summer school and redundancy funding. In addition to this there were donations deferred in relation to staff increments, SELSA, coaches for trips; there were also amounts received in advance for trips and clubs.

Included within other creditors is a loan of £50,000 from the EFA. The EFA provided deficit funding to the Academy as part of the financial recovery plan. This is interest free, but repayable in quarterly instalments per an agreed plan over the period to May 2022.

Included within other creditors is a loan of £151,203 from IBM. The loan was restructured in June 2015 and is an unsecured debt, repayable in equal quarterly instalments to April 2018. The APR is 5.15%.

20. CREDITORS:
Amounts falling due after more than one year

	2015 £	As restated 2014 £
Loans	284,261	435,469
Other creditors	850,000	702,000
	<u>1,134,261</u>	<u>1,137,469</u>

BEXLEY BUSINESS ACADEMY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. CREDITORS:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable by instalments	<u>850,000</u>	<u>702,000</u>

Included within other creditors is a loan of £850,000 from the EFA. The EFA provided deficit funding to the Academy as part of the financial recovery plan. This is interest free, but repayable in quarterly instalments per an agreed plan over the period to May 2022.

Included within loans is a loan of £284,261 from IBM. The loan was restructured in June 2015 and is an unsecured debt, repayable in equal quarterly instalments to April 2018. The APR is 5.15%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. PRIOR YEAR ADJUSTMENT

The Academy leases photocopiers and printers. This has previously been accounted for as an operating lease. During the financial year, the Academy negotiated a restructuring of the lease payments with the finance company, which became effective on 1 June 2015. As part of this review, it became apparent that the contractual and financial arrangements were not consistent with an operating lease. In particular:

- Title to the assets passed to the Academy on settlement of the financing as part of the restructure. This is now reflected in the recognition of fixed assets representing the leased equipment;
- The lease payments exceeded the fair value of the equipment leased to the extent that lease payments included an onerous element over and above inherent amounts due to the broker for maintenance; and
- VAT was payable at the outset of the lease on the value of the equipment; an indicator of a hire-purchase arrangement.

In light of these conclusions, the Academy has re-assessed the accounting treatment, and determined that the arrangement should have been accounted for as a finance lease. The annual value of lease payments was £270,000, and so governors concluded that this is sufficiently material that a prior period adjustment was warranted due to a fundamental error. Governors have also conducted an impairment review as the present value of future lease payments exceeded the fair value of the assets leased (£222,000). The impairment review has been effected in the prior period to reflect that the indicators of impairment arose when entering the lease in 2012.

The finance payments and agreement were restructured with effect from 1 June 2015. As title of the underlying assets has transferred to the Academy, the remaining lease payments are being treated as a simple loan. The Academy, however, has not entered into a new lease, and there is no new finance or investment. Consequently, there has been no breach of the Financial Handbook for Academies in the current period. The original lease was taken out in good faith in the belief that the arrangement was an operating lease.

The impact of this prior period adjustment is to reduce opening reserves at 1 September 2013 by £700,066 and to reduce reserves at 31 August 2014 by £533,581. The impact on the Statement of Financial Activities is an increased charge of £105,540 for the year ended 31 August 2014, comprising depreciation and finance charges.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS

	Brought Forward As restated £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	(1,690,825)	66,698	(81,094)	-	-	(1,705,221)
Restricted funds- general funds						
Pension reserve	(450,000)	-	(23,000)	-	(216,000)	(689,000)
General Annual Grant (GAG)	-	8,312,530	(8,075,122)	-	-	237,408
Restricted general funds	-	1,319,620	(843,176)	(48,775)	-	427,669
	(450,000)	9,632,150	(8,941,298)	(48,775)	(216,000)	(23,923)
Restricted funds - Fixed assets						
Fixed assets fund	28,891,709	54,812	(1,111,485)	48,775	-	27,883,811
Total restricted funds	28,441,709	9,686,962	(10,052,783)	-	(216,000)	27,859,888
Total of funds	26,750,884	9,753,660	(10,133,877)	-	(216,000)	26,154,667

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

Restricted general funds- These grants relate to the Academy's development and operational activities. The trust received a financial notice to improve in November 2014, and has agreed a recovery plan with the Education Funding Agency. The Trust delivered a surplus in 2014-2015 on restricted general funds (excluding pension reserve) as part of this programme, which has also seen a move to a net current asset position within the balance sheet. This plan spans the period up to 2021-22.

Fixed assets fund- These grants relate to funding received from the EFA and sponsorship from the Garrard Education Trust to carry out works of a capital nature and for the purchase of fixed assets.

Pension reserve- The pension reserve relates to the Academy's share of the London Borough of Bexley Local Government Pension Scheme.

Under the funding agreement with the secretary of state, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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RECONCILIATION OF OPENING RESERVES

	Brought forward £	Prior year adjustment £	Brought forward As restated £
Unrestricted funds	(1,042,544)	(648,281)	(1,690,825)
Restricted funds: Pension reserve	(450,000)	-	(450,000)
Restricted funds: General Annual Grant (GAG)	-	-	-
Restricted funds: Restricted general funds	-	-	-
Restricted funds: Fixed assets fund	28,777,009	114,700	28,891,709
Total	<u>27,284,465</u>	<u>(533,581)</u>	<u>26,750,884</u>

SUMMARY OF FUNDS

	Brought Forward As restated £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	(1,690,825)	66,698	(81,094)	-	-	(1,705,221)
Restricted general funds	(450,000)	9,632,150	(8,941,298)	(48,775)	(216,000)	(23,923)
Restricted funds - Fixed assets	28,891,709	54,812	(1,111,485)	48,775	-	27,883,811
	<u>26,750,884</u>	<u>9,753,660</u>	<u>(10,133,877)</u>	<u>-</u>	<u>(216,000)</u>	<u>26,154,667</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted funds - fixed assets 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Tangible fixed assets	-	-	27,883,811	27,883,811	28,891,709
Current assets	-	1,199,679	-	1,199,679	626,723
Creditors due within one year	(855,221)	(250,341)	-	(1,105,562)	(1,180,079)
Creditors due in more than one year	(850,000)	(284,261)	-	(1,134,261)	(1,137,469)
Provisions for liabilities and charges	-	(689,000)	-	(689,000)	(450,000)
	<u>(1,705,221)</u>	<u>(23,923)</u>	<u>27,883,811</u>	<u>26,154,667</u>	<u>26,750,884</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	As restated 2014 £
Net incoming resources before revaluations	(380,217)	(1,354,743)
Returns on investments and servicing of finance	(408)	(277)
Depreciation of tangible fixed assets	1,059,691	1,086,229
Capital grants from DfE and other capital income	(54,812)	(29,751)
Decrease in stocks	6,041	3,893
Decrease in debtors	117,459	26,057
(Decrease)/increase in creditors	(77,724)	327,645
FRS 17 adjustments	23,000	76,000
Net cash inflow from operations	693,030	135,053

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	408	277
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(51,794)	(27,715)
Capital funding received from sponsors and others	54,812	29,751
Net cash inflow capital expenditure	3,018	2,036

26. ANALYSIS OF CHANGES IN NET

	Restated 1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	112,945	696,456	-	809,401
Debt:				
Debts falling due after more than one year	(435,469)	-	151,208	(284,261)
Net (debt)/funds	(322,524)	696,456	151,208	525,140

**NOTES TO THE FINANCIAL STATEMENTS
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27. 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 London Borough of Bexley. 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 2012 and of the LGPS 31 March 2013 updated to 31 August 2015 by an independent qualified actuary.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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27. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £402,634 (2014: £459,718).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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 2015 was £401,000, of which employer's contributions totalled £302,000 and employees' contributions totalled £99,000. The agreed contribution rates for future years are % for employers and 5.5% to 12.5% 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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27. PENSION COMMITMENTS (continued)

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

	Fair value at 1 March 2015 £	1 March 2014 %	Fair value at 1 March 2014 £
Equities	- 2,497,000	7.00	2,302,000
Bonds	- 367,000	3.40	344,000
Property	- 489,000	6.20	397,000
Debtor	- 784,000	7.00	714,000
Cash	- 80,000	0.50	23,000
Total market value of assets	4,217,000		3,780,000
Present value of scheme liabilities	(4,906,000)		(4,230,000)
(Deficit) in the scheme	(689,000)		(450,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(4,906,000)	(4,230,000)
Fair value of scheme assets	4,217,000	3,780,000
Net liability	(689,000)	(450,000)

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

	2015 £	2014 £
Current service cost	332,000	315,000
Expected return on scheme assets	(235,000)	(197,000)
Interest on obligation	176,000	191,000
Total	273,000	309,000
Curtailments and settlements	52,000	-

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27. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	4,230,000	3,925,000
Contributions by scheme participants	99,000	106,000
Actuarial Losses/(gains)	97,000	(352,000)
Losses on curtailments	52,000	-
Current service cost	332,000	315,000
Interest cost	176,000	191,000
Benefits paid	(80,000)	45,000
Closing defined benefit obligation	<u>4,906,000</u>	<u>4,230,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	3,780,000	3,059,000
Actuarial gains and (losses)	(119,000)	140,000
Contributions by employer	302,000	233,000
Contributions by employees	99,000	106,000
Expected return on scheme assets	235,000	197,000
Benefits paid	(80,000)	45,000
	<u>4,217,000</u>	<u>3,780,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a loss of £216,000 (2014 - £497,000 gain).

The academy expects to contribute £257,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	3.80 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.30 %	2.20 %

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

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

	2015	2014
Retiring today		
Males	23.1	23.0
Females	25.5	25.4
Retiring in 20 years		
Males	25.4	25.3
Females	28.4	28.3

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(4,906,000)	(4,230,000)	(3,925,000)	(3,438,000)	(2,760,000)
Scheme assets	4,217,000	3,780,000	3,059,000	2,399,000	2,064,000
Deficit	(689,000)	(450,000)	(866,000)	(1,039,000)	(696,000)
Experience adjustments on scheme liabilities	(97,000)	352,000	-	-	-
Experience adjustments on scheme assets	(119,000)	140,000	273,000	(55,000)	(49,000)

28. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other As restated	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	-	4,167	28,730	22,663
Between 2 and 5 years	27,000	21,667	166,955	176,829

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

29. RELATED PARTY TRANSACTIONS

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

N Greenwood, a Trustee, was an employee of DWF LLP and Moore Blatch LLP who provide legal services to the Academy, the value of which was £17,946 in the year (2014- £64,464). At 31 August 2015 £3,274 was due from the Academy to Moore Blatch LLP (2014- £4,027).

The Maureen and David Garrard Foundation ('the Foundation') is the sponsor of the Academy. During the year the Academy received grants of £113,684 (2014- £63,520) from the Foundation. £6,200 was receivable from the Foundation at 31 August 2015 (2014- £nil).

During the year a donation of £1,000 was received from the Worshipful Company of Security professionals, a company in which one of the directors is also a governor of the Academy. This money was to support the independent Army Cadets Unit that use the Academy as a base, and was provided to the Unit for the purchase of equipment. The Academy does not benefit directly from this donation.

30. SUBSIDIARY COMPANY

The charitable company has an interest in a wholly owned subsidiary, Bexley Business Academy Education Services Limited which is dormant and has therefore not been consolidated or included in these accounts.

At 31 August 2015 the net assets and reserves of the subsidiary were as follows:

Company name	Country	Percentage Shareholding
Bexley Business Academy Education Services Limited	England and Wales	100

	2015 £	2014 £
Share capital	100	100
Reserves	772	772
Net assets	<u>872</u>	<u>872</u>