

Registered number 07843573

**NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR
GIRLS**

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2012

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NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)

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NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012

Governors

C Deen, Parent Governor
D Sands, Headteacher
D Rose, Vice Chair of Governors
E Dennis, Parent Governor
E Jordon (resigned 2 July 2012)
Ibby Tahir (resigned 28 May 2012)
I Hamilton Bower, Chair of Finance
J Ralphs, LA Governor
J Freeman, Staff Governor
K Hume, Community Governor
M Hamilton, Chair of Education and Curriculum
M Turner, Chair of Governors
M Mogul, Chair of Premises
P Harris, Support staff Governor
D Stevenson, Teacher Governor

Company registered number

07843573

Registered office

Mountcliff House, 154 Brent Street, London, NW4 2DR

Company secretary

Winnie Kinnon

Chief executive officer

David Sands

Auditors

Landau Baker Ltd, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

NatWest Bank, 1393 London Road, Norbury, London, SW16 4XF

Solicitors

Dickinson Dees, One Trinity, Broad Chare, Newcastle upon Tyne, NE1 2HF

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Norbury Manor Business and Enterprise College for Girls (the academy) for the period ended 31 August 2012. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a CONSTITUTION

The Norbury Manor Business and Enterprise College for Girls Academy is a company limited by guarantee set up in November 2011 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became an academy on 1st January 2012. The memorandum and articles of association are the primary governing documents of the Charitable Company.

The governors act as trustees for the charitable activities of the Academy and some are also the directors of the Charitable Company for the purposes of company law.

b METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The governors are appointed under the terms of the Charitable Company's articles of association:

- The Principal
- A minimum of two parent governors
- Any governors elected by the Secretary of State for Education
- Up to 3 co-opted governors

The term of office for any governor shall be four years. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

c POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

During the period under review, the governors held 12 meetings. The training and induction provided for new governors will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the Academy and the chance to meet with staff and pupils. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable Company.

d ORGANISATIONAL STRUCTURE

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives. Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

e RISK MANAGEMENT

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

f. GOVERNORS' INDEMNITIES

Subject to the provisions of the Companies Act, every governor or other officer of the Charitable Company shall be indemnified out of the assets of the Charitable Company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

g PRINCIPAL ACTIVITIES

The principal activity of the Charitable Company is to advance, for the public benefit, education in Croydon and the surrounding area by maintaining and operating an Academy Trust in Norbury Manor Business and Enterprise College for Girls.

Objectives and Activities

a OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of an Enterprise College, to provide education in Croydon at Norbury Manor Business and Enterprise College for Girls for pupils in Year 7 to Year 13.

b OBJECTIVES, STRATEGIES AND ACTIVITIES

In accordance with the articles of association, the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the period ended are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- 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 the Academy's business in accordance with the highest standards of integrity, probity and openness

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

c ACTIVITIES FOR ACHIEVING OBJECTIVES

The Academy's vision is to create

- a strong ethos of achievement leading to improved standards
- personal confidence
- appropriate thinking skills

This is achieved through developing

- a sense of personal identity
- a sense of belonging to an individual academy
- an emphasis on personal and community responsibility
- a positive learning climate in terms of the nature of courses offered and teaching styles utilised
- positive relationships with external partners

d PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education

Achievements and performance

a GOING CONCERN

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

b KEY PERFORMANCE INDICATORS

KS3 Results

87% achieving level 5 or above in English,
81% in Maths and
53% in Science

KS4 2012 Results

EBacc - 19.6%
5 A*-C including English & Maths 61%
5A*-C 86%

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

Financial review

a FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given academies' exposure to financial instruments is limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy's system of internal controls ensures risk is minimal in these areas.

b RESERVES POLICY

Reserves at the end of the period amounted to £ 22,315,596. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review.

c PRINCIPAL FUNDING

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Plans for the future

a FUTURE DEVELOPMENTS

- 1 Promoting reading and literacy
- 2 Curriculum
 - a) Developing the new year 7 curriculum for 2013
 - b) Focusing on the achievement of vulnerable groups and strategies to ensure all achieve
- 3 Partnerships and community engagement

Areas to focus on include -

 - Sims Learning Gateway link with parents
 - Pasp – Primary and secondary school partnerships
 - Isa – International schools award
 - Itt – Initial teacher training links
 - Iag – individual advice and guidance – careers
- 4 Faculty area foci – these are chosen by the faculties/departments

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

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

PROVISION OF INFORMATION TO AUDITOR

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information

AUDITOR

The auditor, Landau Baker Ltd, has indicated its willingness to continue in office. The designated governors will propose a motion re-appointing the auditor at a meeting of the governors

Approved by order of the members of the Governing Body on 26th November 2012 and signed on their behalf by



M Turner
Chair of Governors

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Norbury Manor Business Enterprise College for Girls 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 governing body has delegated the day-to-day responsibility to D Sands, 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 Norbury Manor Business Enterprise College for Girls and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The governing body has formally met 10 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
C Deen, Parent Governor	3	6
D Sands, Headteacher	8	8
D Rose, Vice Chair of Governors	3	5
E Dennis, Parent Governor	4	4
E Jordon (resigned 2 July 2012)	1	4
Ibby Tahir (resigned 28 May 2012)	2	4
I Hamilton Bower, Chair of Finance	4	4
J Ralphs, LA Governor	3	3
J Freeman, Staff Governor	6	6
K Hume, Community Governor	3	4
M Hamilton, Chair of Education and Curriculum	3	6
M Turner, Chair of Governors	8	8
M Mogul, Chair of Premises	7	7
P Harris, Support staff Governor	6	6
D Stevenson, Teacher Governor	6	6

The **Finance and General Purposes Committee** is a sub-committee of the main governing body. Its purpose is to make sure that the academy is following the EFA's financial regulations. Attendance at the meetings in the year was as follows:

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows

Governor	Meetings attended	Out of a possible
I Hamilton Bower	2	2
M Turner	2	2
M Hamilton	2	2
D Rose	0	2
M Mogul	1	2
J Ralphs	2	2
P Harris	2	2
D Sands	2	2
E Jordon	1	2

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Norbury Manor Business Enterprise College for Girls for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body 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 governing body 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 ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 governing body,
- 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,
- setting targets to measure financial and other performance,
- clearly defined purchasing (as set purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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GOVERNANCE STATEMENT (continued)

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs I Hamilton Bower, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

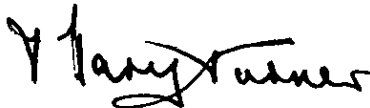
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer,
- the work of the external auditor,
- 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.

Approved by order of the members of the governing body on 26 November 2012 and signed on their behalf, by



M Turner
Chair of Governors



D Sands
Headteacher

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Norbury Manor Business Enterprise College for Girls I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

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

A handwritten signature in black ink, reading "David Sands", with a horizontal line underneath.

D Sands
Accounting Officer

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

The Governors (who act as trustees for charitable activities of Norbury Manor Business and Enterprise College for Girls and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

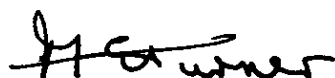
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 operation

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

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

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

Approved by order of the members of the Governing Body on 26 November 2012 and signed on its behalf by



M Turner
Chair of Governors

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORBURY MANOR BUSINESS AND
ENTERPRISE COLLEGE FOR GIRLS**

We have audited the financial statements of Norbury Manor Business and Enterprise College for Girls for the period ended 31 August 2012 set out on pages 16 to 35. 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 Annual Accounts Direction 2011/12 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. 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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORBURY MANOR BUSINESS AND
ENTERPRISE COLLEGE FOR GIRLS**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

M B Durst (Senior statutory auditor)
for and on behalf of

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
26 November 2012

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF NORBURY
MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 January 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Norbury Manor Business and Enterprise College for Girls during the period 1 January 2012 to 31 August 2012 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 Norbury Manor Business and Enterprise College for Girls and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Norbury Manor Business and Enterprise College for Girls and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Norbury Manor Business and Enterprise College for Girls and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR
GIRLS' ACCOUNTING OFFICER AND THE AUDITORS**

The Accounting officer is responsible, under the requirements of Norbury Manor Business and Enterprise College for Girls's funding agreement with the Secretary of State for Education dated 1 January 2012, and the Academies Financial Handbook as published by DfES in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 January 2012 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
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**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF NORBURY
MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS AND THE EDUCATION FUNDING AGENCY**

CONCLUSION

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

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date 26 November 2012

NORBURY MANOR BUSINESS AND ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income	3	(739,438)	23,247,211	22,507,773
Incoming resources from charitable activities	4	4,604,506	115,203	4,719,709
TOTAL INCOMING RESOURCES		3,865,068	23,362,414	27,227,482
RESOURCES EXPENDED				
Charitable activities	9	4,386,429	452,273	4,838,702
Governance costs	5	5,185	-	5,185
TOTAL RESOURCES EXPENDED	8	4,391,614	452,273	4,843,887
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(526,546)	22,910,141	22,383,595
Transfers between Funds	18	27,118	(27,118)	-
NET INCOME FOR THE YEAR		(499,428)	22,883,023	22,383,595
Actuarial gains and losses on defined benefit pension schemes		(68,000)	-	(68,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(567,428)	22,883,023	22,315,595
TOTAL FUNDS AT 31 AUGUST 2012		(567,428)	22,883,023	22,315,595

All activities relate to continuing operations

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

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

The notes on pages 19 to 35 form part of these financial statements

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)
REGISTERED NUMBER: 07843573

BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £
FIXED ASSETS			
Tangible assets	14		22,883,023
CURRENT ASSETS			
Stocks	15	4,954	
Debtors	16	273,264	
Cash at bank and in hand		817,660	
		<u>1,095,878</u>	
CREDITORS amounts falling due within one year	17	<u>(683,306)</u>	
NET CURRENT ASSETS			<u>412,572</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,295,595</u>
Defined benefit pension scheme liability	22		<u>(980,000)</u>
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u><u>22,315,595</u></u>
CHARITY FUNDS			
Restricted funds			
Restricted funds	18	412,572	
Restricted fixed asset funds	18	22,883,023	
		<u>23,295,595</u>	
Restricted funds excluding pension liability		<u>(980,000)</u>	
Pension reserve			
Total restricted funds			<u><u>22,315,595</u></u>
			<u><u>22,315,595</u></u>

The financial statements were approved by the Governors on 26 November 2012 and signed on their behalf, by


M Turner
Chair of Governors

The notes on pages 19 to 35 form part of these financial statements

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	2012 £
Net cash flow from operating activities	20	817,660
Bank overdraft included in creditors	17	(192,441)
INCREASE IN CASH IN THE PERIOD		<u><u>625,219</u></u>

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

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

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

1.3 Fund accounting

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

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

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Norbury Manor Business and Enterprise College for Girls to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for an academy trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. All fixed assets have been valued on conversion and their value has been included in the restricted fixed asset fund in voluntary income. The value of the other assets and liabilities on conversion have been included in the restricted fund in voluntary income. Further details of the transactions are set out in note 3.

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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.

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.

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

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

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

1 5 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 ACCOUNTING POLICIES (continued)

1.6 Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Chantable Company 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

The policy with respect to impairment reviews of fixed assets: an item of stock can be written off where the item is considered to be beyond repair or has no value.

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 property	-	2% straight-line
Fixtures and fittings	-	10% reducing balance
Computer equipment	-	33% reducing balance

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.9 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.

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 ACCOUNTING POLICIES (continued)

1 10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

2 GENERAL ANNUAL GRANT (GAG)

	2012 £
Result and Carry Forward for the Year	
GAG Allocation for current year	4,234,594
Total GAG Available to spend	<u>4,234,594</u>
Recurrent expenditure from GAG	(4,187,567)
Fixed assets purchased from GAG	<u>(47,027)</u>
GAG Carried forward to next year	-
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	<u>(508,151)</u>
GAG to surrender to DfE	<u>(508,151)</u>
(12% rule breached if result is positive)	<u>No breach</u>

3 VOLUNTARY INCOME

	Restricted funds 2012 £	Total funds 2012 £
Transferred from predecessor school	<u>22,507,773</u>	<u>22,507,773</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2012 £	Total funds 2012 £
Charity incoming resources	<u>4,719,709</u>	<u>4,719,709</u>

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant		
General annual grant	4,234,594	4,234,594
Capital income	115,203	115,203
Pupil Premium	121,079	121,079
	<u>4,470,876</u>	<u>4,470,876</u>
Other funding		
Learning resources	29,410	29,410
Other income	18,657	18,657
Bank interest	5,780	5,780
Catering income	89,489	89,489
Letting income	70,538	70,538
Wolfson Foundation	34,959	34,959
	<u>248,833</u>	<u>248,833</u>
	<u><u>4,719,709</u></u>	<u><u>4,719,709</u></u>

5 GOVERNANCE COSTS

	Restricted funds 2012 £	Total funds 2012 £
Governance Auditors' remuneration	<u>5,185</u>	<u>5,185</u>

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

6 DIRECT COSTS

	Educational operations £	Total 2012 £
Pension cost	25,000	25,000
Education supplies	22,686	22,686
Examination fees	179,377	179,377
Staff development	16,608	16,608
Other direct costs	10,328	10,328
Maintenance of premises	98,802	98,802
Insurance	47,616	47,616
Capital construction	922	922
Capital -ICT	34,094	34,094
Recruitment	15,973	15,973
Ground maintenance	8,822	8,822
Wages and salaries	3,105,895	3,105,895
Depreciation	452,273	452,273
	<u>4,018,396</u>	<u>4,018,396</u>

7 SUPPORT COSTS

	Educational operations £	Total 2012 £
Teaching and educational supplies	18,000	18,000
Education supplies	45,179	45,179
Staff development	11,334	11,334
Education consultancy	14,790	14,790
Other direct costs	46,703	46,703
Maintenance of premises	22,167	22,167
Insurance	13,359	13,359
Rates & water	16,308	16,308
Light & heat	79,721	79,721
Capital -ICT	45,836	45,836
Catering contract	138,345	138,345
Cleaning	20,920	20,920
Governance cost	18,506	18,506
Miscellaneous	18,786	18,786
Wages and salaries	206,352	206,352
Pension cost	104,000	104,000
	<u>820,306</u>	<u>820,306</u>

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

8 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Direct costs	3,441,247	452,273	945,182	4,838,702
Governance	-	-	5,185	5,185
	<u>3,441,247</u>	<u>452,273</u>	<u>950,367</u>	<u>4,843,887</u>

9 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Direct costs	<u>4,018,396</u>	<u>820,306</u>	<u>4,838,702</u>

10 NET INCOME / (EXPENDITURE)

This is stated after charging

	2012 £
Depreciation of tangible fixed assets - owned by the charity	<u>452,273</u>

The highest paid Governor received remuneration of £62,453

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows

	2012 £
D Sands - Governor and Trustee	60,000 – 65,000
D Stevenson - Governor and Trustee	30,000 – 35,000
P Harris - Governor and Trustee	20,000 – 25,000
J Freeman - Governor and Trustee	15,000 – 20,000

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

11 AUDITORS' REMUNERATION

	2012 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	5,185

12 STAFF COSTS

Staff costs were as follows

	2012 £
Wages and salaries	3,312,247
Other pension costs (Note 22)	129,000
	<u>3,441,247</u>

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

2012
No
172

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

	2012 No.
In the band £60,001 - £70,000	1
	<u>1</u>

13 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £6,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1518

The cost of this insurance is included in the total insurance cost

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

14 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2012	-	-	-	-
Additions including transfers on conversion	22,244,330	792,894	298,072	23,335,296
At 31 August 2012	22,244,330	792,894	298,072	23,335,296
Depreciation				
At 1 January 2012	-	-	-	-
Charge for the period	243,658	114,500	94,115	452,273
At 31 August 2012	243,658	114,500	94,115	452,273
Net book value				
At 31 August 2012	22,000,672	678,394	203,957	22,883,023

15 STOCKS

	2012 £
Finished goods and goods for resale	4,954

16 DEBTORS

	2012 £
Trade debtors	132,686
Other debtors	57,598
Prepayments and accrued income	82,980
	273,264

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

17 CREDITORS

Amounts falling due within one year

	2012 £
Bank loans and overdrafts	192,441
Trade creditors	277,077
Social security and other taxes	112,597
Pension creditors	64,331
Accruals and deferred income	36,860
	<u>683,306</u>

18 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds						
Restricted Funds - all funds	-	4,761,068	(4,375,614)	27,118	-	412,572
Pension reserve	-	(896,000)	(16,000)	-	(68,000)	(980,000)
	<u>-</u>	<u>3,865,068</u>	<u>(4,391,614)</u>	<u>27,118</u>	<u>(68,000)</u>	<u>(567,428)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	-	23,362,414	(452,273)	(27,118)	-	22,883,023
Total restricted funds	<u>-</u>	<u>27,227,482</u>	<u>(4,843,887)</u>	<u>-</u>	<u>(68,000)</u>	<u>22,315,595</u>
Total of funds	<u>-</u>	<u>27,227,482</u>	<u>(4,843,887)</u>	<u>-</u>	<u>(68,000)</u>	<u>22,315,595</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds	-	3,865,068	(4,391,614)	27,118	(68,000)	(567,428)
Restricted fixed asset funds	<u>-</u>	<u>23,362,414</u>	<u>(452,273)</u>	<u>(27,118)</u>	<u>-</u>	<u>22,883,023</u>

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	22,883,023	22,883,023
Current assets	1,095,878	-	1,095,878
Creditors due within one year	(683,306)	-	(683,306)
Provisions for liabilities and charges	(980,000)	-	(980,000)
	<u>(567,428)</u>	<u>22,883,023</u>	<u>22,315,595</u>

20 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £
Net incoming resources before revaluations	22,383,595
Depreciation of tangible fixed assets	452,273
Increase in stocks	(4,954)
Increase in debtors	(273,264)
Increase in creditors	683,306
Assets transferred	(23,247,211)
Capitalised fixed assets	(88,085)
Pension costs	16,000
Deficit on pension scheme on conversion	896,000
Net cash outflow from operations	<u><u>817,660</u></u>

21 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	-	817,660	-	817,660
Bank overdraft included in creditors	-	(192,441)	-	(192,441)
Net funds	<u>-</u>	<u>625,219</u>	<u>-</u>	<u>625,219</u>

22 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 Croydon council Both are defined benefit schemes

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

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

22 PENSION COMMITMENTS (continued)

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £142,000, of which employer's contributions totaled £113,000. The agreed contribution rate for future years are 24.6% for employers and 5.5-7.5% for employees.

The amounts recognised in the Balance sheet are as follows:

	2012 £
Present value of funded obligations	(1,127,000)
Fair value of scheme assets	147,000
	<hr/>
Net liability	(980,000)
	<hr/>

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

22 PENSION COMMITMENTS (continued)

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

	2012 £
Current service cost (net of employee contributions)	<u>104,000</u>
Analysis of pension finance income/ (costs)	
Expected return on scheme assets	3,000
Interest on obligation	<u>(30,000)</u>
Pension finance cost	<u>(27,000)</u>

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

	2012 £
Current service cost	104,000
Interest cost	30,000
Contributions by scheme participants	29,000
Actuarial Losses	68,000
Opening defined benefit obligation	896,000
Closing defined benefit obligation	<u>1,127,000</u>

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

	2012 £
Expected return on assets	3,000
Actuarial gain	2,000
Contributions by employer	113,000
Contributions by employees	29,000
	<u>147,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22 PENSION COMMITMENTS (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £68,000 loss.

The academy expects to contribute £172,000 to its Defined benefit pension scheme in 2013.

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

	2012
Equities	5.70 %
Bonds	3.90 %
Property	3.70 %
Cash	2.80 %

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

	2012
Discount rate for scheme liabilities	4.10 %
Expected return on scheme assets at 31 August	4.90 %
Rate of increase in salaries	3.95 %
Pension increase rate	2.20 %

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

	2012
Retiring today	
Males	22.9
Females	25.7
Retiring in 20 years	
Males	24.9
Females	27.7

Amounts for the current period are as follows:

Defined benefit pension schemes:

	2012 £
Defined benefit obligation	(1,127,000)
Scheme assets	147,000
Deficit	(980,000)
Experience adjustments on scheme liabilities	(68,000)

NORBURY MANOR BUSINESS ENTERPRISE COLLEGE FOR GIRLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

23 OPERATING LEASE COMMITMENTS

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £	Other 2012 £
Expiry date		
Within 1 year	-	863
Between 2 and 5 years	-	1,955
	<u> </u>	<u> </u>

24 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. There are no related party transactions in the period.

25 CONVERSION TO AN ACADEMY TRUST

On 1 January 2012 Norbury Manor Business and Enterprise College for Girls converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from London Borough of Croydon for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as income/resources expended in the Statement of Financial Activities as voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	23,247,211	23,247,211
LGPS pension surplus/(deficit)	-	(896,000)	-	(896,000)
Other identified assets and liabilities	-	156,562	-	156,562
Net assets/(liabilities)	<u> </u>	<u>(739,438)</u>	<u>23,247,211</u>	<u>22,507,773</u>

The above net assets/liabilities include £304,983 that was transferred as cash.