

# REGISTRAR OF COMPANIES

## Norbury Manor Business and Enterprise College for Girls

### Annual Report and Financial Statements

31 August 2016

Company Limited by Guarantee  
Registration Number  
07843573 (England and Wales)

WEDNESDAY



A31 \*A5YTUAP6\* #214  
25/01/2017  
COMPANIES HOUSE

## Contents

### Reports

Reference and administrative information	1
Governors' report	3
Governance statement	12
Statement of regularity, propriety and compliance	17
Statement of Governors' responsibilities	18
Independent auditor's report on the financial statements	19
Independent reporting accountant's report on regularity	21

### Financial statements

Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Principal accounting policies	26
Notes to the financial statements	32

## Reference and administrative information

<b>Members</b>	<p>M Turner  I Hamilton-Bower  M Hamilton  K Hume  J Ralphs</p>
<b>Governors</b>	<p>M Turner, Chair of Governing Body  K Hume, Chair of Premises Committee  J Chandler, Chair of Finance Committee &amp; Vice Chair of Governing Body  M Miller, Chair of Admissions, Education and Curriculum  A Hussain, Parent Governor  A Compton, Headteacher and Accounting Officer  P Harris, Staff Governor &amp; Vice Chair of Premises Committee  N Gallimore, Staff Governor</p> <p>I Hamilton-Bower, Vice Chair, Chair of Personnel Committee – resigned as governor on 11<sup>th</sup> January 2016. <b><i>Continued to serve as a Member of Trust.</i></b></p> <p>M Hamilton, Chair of Admissions – resigned as governor 11<sup>th</sup> January 2016. <b><i>Continued to serve as a Member of Trust.</i></b></p> <p>J Ralphs, LA Governor – resigned as governor on 30<sup>th</sup> November 2015. <b><i>Continued to serve as a Member of Trust.</i></b></p> <p>S Horner-Knight, Parent Governor – resigned as governor on 4<sup>th</sup> July 2016</p> <p>E Jordon, Parent Governor – resigned as governor on 9<sup>th</sup> May 2016</p>
<b>Senior Management Team</b>	<p>Amanda Compton, Tracey Scarsbrook, Cynthia Francis, Christine Evans, Angharad Ryder-Owen, Markieu Hayden, Winnie Kinnon</p>
<b>Company Secretary</b>	<p>W Kinnon</p>
<b>Headteacher</b>	<p>A Compton</p>

## Reference and administrative information

<b>Operating address</b>	Kensington Avenue Thornton Heath Croydon Surrey CR7 8BT
<b>Registered address</b>	130 Wood Street London EC2V 6DL
<b>Company registration number</b>	07843573 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	National Westminster Bank plc 1393 London Road Norbury London SW16 4XF

The Governors of Norbury Manor Business and Enterprise College for Girls ('the College') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2016. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 31 of the attached financial statements and comply with the College's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The College is a company limited by guarantee and an exempt charity. It was incorporated in November 2011 and under the terms of a Funding Agreement entered into with the Secretary of State for Education, became an academy on 1 January 2012. The charitable company's memorandum and articles of association are the primary governing documents of the College.

The Governors act as the trustees for the 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.

### **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.

### **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 judgement 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.

### **Principal activities**

The main objective of the College is to provide a high quality education for girls between the ages of 11-19 in Croydon and the surrounding area. The College aims to develop students as well rounded individuals who will become active citizens of the future.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Governors**

The Governors are directors of the charitable company for the purposes of the Companies Act 2006. The following Governors were in office at 31 August 2016 and served throughout the year except where shown.

<b>Trustee</b>	<b>Appointed/Resigned</b>	<b>Position on board</b>
M Turner		Chair of Governing Body
K Hume		Chair of Premises Committee
J Chandler		Chair of Finance Committee & Vice Chair of Governing Body
M Miller		Parent Governor and Chair of Admissions, Education and Curriculum Committee (from 16 March 2015)
A Compton		Headteacher
P Harris		Staff Governor & Vice Chair of Premises Committee
A Hussain		Parent Governor
N Gallimore		Staff Governor
Mohammad Iqbal	Appointed 04/07/2016	Community Governor
I Hamilton-Bower	Resigned as governor 11/01/2016. Continued to serve as Member of Trust.	Vice Chair, Chair of Personnel Committee
J Ralphs	Resigned as governor 30/11/2015. Continued to serve as Member of Trust.	LA Governor
M Hamilton	Resigned as governor 11/01/2016. Continued to serve as Member of Trust.	Chair of Admissions,
E Jordon	Resigned 09/05/2016	Parent Governor
S Horner-Knight	Resigned on 04/07/2016	Parent Governor

### **Method of recruitment and appointment or election of Governors**

The Governors are appointed under the terms of the College's articles of association;

- ◆ a minimum of two parent governors;
- ◆ any governors elected by the Secretary of State for Education; and
- ◆ up to 3 co-opted governors.

The term of office for any governor shall be four years. The Headteacher's term of office runs parallel with her contract of employment. Subject to remaining eligible to be a particular type of governor any governor may be re-appointed or re-elected.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Policies and procedures adopted for the induction and training of Governors**

During the period under review the Governors held 15 meetings of the board and sub committees. 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 College and the chance to meet with staff and students. 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 as the directors of the charitable company.

### **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 senior management team.

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

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.

### **Arrangements for setting pay and remuneration of key management personnel**

All staff (including senior management) are subject to the School's performance management pay policy. Senior staff are assessed against leadership standards, their own personal targets and the outcomes for their students, including in-lesson observations. Personal targets are linked to the School's targets from the Development Plan and the performance management review process has been fully interrogated by the Governing Body.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The principle object and activity is to raise the standard of education achievement for all pupils.

The College aims to:

- ◆ support the development of every individual by providing opportunities and experiences that will support the development of the students' understanding and knowledge in a broad range of subjects while supporting the students through a strong pastoral system that values the diversity of the students and recognises each individual's needs;

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objects and aims (continued)**

- ◆ ensure it is involved with a wide range of stakeholders and that students understand their part and participate in local, national and international communities;
- ◆ ensure that the facilities it has are used to support its students and the local community; and
- ◆ provide value for money for the funds expended and to ensure that all statutory requirements are met.

### **Objectives, strategies and activities**

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 College and that the curriculum should comply with the substance of the national curriculum.

### **Activities for achieving objectives**

The key activity for the year ended 31 August 2016 was the general running of the school, as set out in more detail within the Strategic Report.

### **Public benefit**

The College's object is "to advance for the public benefit education in the United Kingdom, in particular and without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum" (Articles of Association).

In setting the College's objectives and planning its activities, the Board of Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Review of activities***

##### ***Achievement***

In the academic year 2015/16 the school achieved results significantly above the national average. At GCSE 68% students achieved 5 or more A\*-C grades including English and Maths. Unvalidated RAISEonline data gives the school a Progress8 score of +0.13 i.e. students made better progress at Norbury Manor than students of the same ability made nationally.



## **STRATEGIC REPORT (continued)**

### **Achievements and performance (continued)**

#### ***Review of activities (continued)***

##### ***Achievement (continued)***

The school also recognises that academic results are not the only measure of the work that takes place within a school. Students compete in a wide range of sporting competitions, public speaking competitions, Enterprise competitions and other opportunities to challenge themselves against students from other schools. The school supports the development of students as independent learners, lifelong learners and citizens of the future with a series of Deep Learning Days that allow numerous trips to take place and external providers who work with the students on a wide range of topics e.g. personal safety, robotics and First aid. The school curriculum includes a comprehensive PSHE programme that all students take and relevant issues are covered through whole school assemblies.

At A level just under half the grades students achieved were at A\*-B grades and the school achieved an overall performance figure of 4 on ALPS which classifies the school as delivering "very good" progress for its students.

The school continues to focus on delivering outstanding teaching and supports staff development and the initial teacher training programme. In school there is a clear focus on pastoral support for students and ensuring they are offered a wide range of extra curricular activities alongside our own "Deep Learning Days" to promote independence and a love of learning.

The school has been focusing on delivering the highest quality teaching that stretches and challenges all students. The school has developed a more focused approach to ensure that stretch and challenge is also provided to more able, gifted and talented students and this was recognised externally by the awarding of the NACE award in 2016. Support was provided to the less able through in-class and out of lesson support and the provision of a range of intervention and support that is led by a senior member of staff. A new tracking system was implemented for years 7-9 that replaces the old National Curriculum levels which no longer apply and the embedding of our integrated Humanities curriculum which has the teaching of literacy embedded in it.

**Quality of teaching, learning and assessment** – Lesson observations during the year have graded nearly half the lessons seen as outstanding. The school has a robust system in place to review the quality of teaching and learning and further support the development of outstanding teaching. Staff undertake a wide range of professional development, much around their own specialist subject but also around leadership development including staff completing Middle leadership training, the NPQH and MAs. Senior leadership regularly review the quality of teaching across a range of criteria and coaching/support is provided to staff when areas are identified that can be strengthened.

## **STRATEGIC REPORT (continued)**

### **Achievements and performance (continued)**

#### ***Review of activities (continued)***

##### ***Achievement (continued)***

**Personal Development, Behaviour and Welfare** – The school ensures that students have a full range of support in their PSHE lessons, assemblies through P4C (Philosophy for Children), in subject classes and by undertaking a range of staff training to cover relevant issues that students may face (e.g. FGM, CME, forced marriage, radicalisation, autism, hearing difficulties, achondroplasia) and through the input from the pastoral structure that includes heads of year, pastoral leaders, mentors, LSAs and TAs. The school engages with external agencies to provide a holistic approach to its students' welfare.

**Effectiveness of Leadership and Management** – The school staff and Governors are clear about the aims of the school and fully support its development, holding staff to account and also undertaking relevant training. Robust self-evaluation drives the school improvement plan and all stakeholders play a part in this process. The school will increase in intake to 8 forms from September 2016 in response to increased applications for places.

#### ***Ethos, strategy and policies***

The college has a strong ethos and the following mission statement;

*"Norbury Manor is a unique community where all students and staff are valued as individuals. We draw strength from our diversity and take pride in our cultural richness and utilise both in preparing students to embrace their places in the local and global communities.*

*At Norbury Manor, we aim to enable all students to live full and active lives. We promote the value of knowledge and push every student to fulfil their academic potential. We are committed to providing a curriculum which helps to develop self confidence, healthy living and strong communication and leadership skills.*

*We are dedicated to preparing students for the future – to developing confident, motivated and resilient independent learners. Norbury Manor students are encouraged to establish a strong sense of self-worth; they become articulate young adults who are both creative and enterprising."*

### **Financial review**

#### ***Financial report for the year***

The total income for the year was £6,741,000, of which £5,848,000 was General Annual Grant. The result for the year, excluding the fixed assets fund was a £286,000 deficit (2015 - £192,000 deficit before £238,000 transfers from the fixed asset fund). In particular, this included the planned spend of £109,000 of pupil premium brought forward from previous accounting periods.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Financial report for the year (continued)***

The results for the year are shown on page 23.

***Reserves policy***

The College held fund balances at 31 August 2016 of £19,461,000 (2015 - £20,944,000) comprising £249,000 (2015 - £131,000) of unrestricted general funds and £19,212,000 (2015 - £20,813,000) of restricted funds which includes the pension reserve deficit of £2,081,000 (2015 - £1,306,000).

The College's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £249,000 (2015 - £131,000). It also holds £504,000 of restricted income funds that are expendable on the general running of the school (2015 - £843,000).

The Governing Body adopted and ratified on the 3<sup>rd</sup> of July 2016 a Reserves Policy on the appropriate level of free reserves to reflect revenue income and on-going commitments. This was set at a level of £500,000 revenue balance.

The combined unrestricted and restricted income fund balances at 31 August 2016 of £753,000 (2015 - £974,000) are adequate to fulfil the obligations of the College and provide a balance against most unforeseen future events. To achieve the development plan objectives and for other major projects, the College remains dependent on the provision of additional fixed asset grants from the EFA.

The deficit on the pension fund relates to the College's share of the obligations under the Local Government Pension Scheme (LGPS). Any cash flows as a result of this deficit will occur over a number of years.

***Going concern***

After making appropriate enquiries, the Governing Body has a reasonable expectation that the College 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. It has made the assessment in particular with regard to a period of no less than one year from the date of approval of the accounts. Further details regarding the adoption of the going concern basis can be found in the Principal Accounting Policies on page 26.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors have assessed the major risks to which the College is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the College, and its finances. The Governors have implemented a number of systems to assess risks that the College 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 most significant risks to the school are considered to be:

**A fall in student numbers due to competition or reputational damage.** This is addressed by keeping track of any publicity relating to the College and by ensuring that the College is maintaining its quality of provision to remain a secondary school of choice in the area.

**A significant short notice fall in government funding.** This is considered to be addressed through the College's reserves policy as detailed on page 9.

The College has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

### **PLANS FOR FUTURE PERIODS**

The school is actively seeking expansion and is planning to increase to 8 forms of entry from September 2016, plans to ensure suitable rooming and staffing are in place for this. The school is following DfE guidance on improving the EBACC offer it makes to its students and will be reviewing its use of KS3 data following the first full year of its implementation. The school is supporting teaching at A level as the subjects taught move towards a linear programme. The school is also developing links with other sixth form providers in the local area to be part of a combined offer to students.

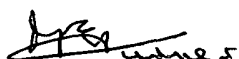
**Governors' report** Year to 31 August 2016

**AUDITOR**

In so far as the Governors are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the Governors 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.

Governors' report, incorporating a strategic report, approved by order of the members of the Board of Governors on 12 December 2016 and signed on its behalf by:



M Turner  
Chair of Governors

Date: 12-12-2016

### **Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that the Norbury Manor Business and 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 Board of Governors have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the College and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Board of Governors has formally met 15 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Compton	12	12
M Turner (Chair of Governors)	12	12
K Hume	8	9
P Harris	7	8
M Hamilton	1	3
M Iqbal	1	1
I Hamilton-Bower	2	3
J Ralphs	3	3
A Hussain	8	8
M Miller	9	9
J Chandler	5	6
E Jordon	3	5
S Horner-Knight	6	7
N Gallimore	6	8

### **Governance reviews**

The Governing Body undertook a full SWOT analysis in January 2015 and have used this to inform its long term development planning. They undertook a full self-review using an externally provided framework and have reviewed the outcomes from this. An audit of Governor skills was also undertaken. The Governing Body undertake a range of training activities and feedback from these is shared across all members.

The Governing body has restructured to provide for the new responsibility for performance-related pay. They have established a committee to review the College's procedure and to ensure consistency in the judgements made and fairness in the way the policy is applied.

The SWOT analysis is informing the 3 year development plan and a working group including a Governor and the Headteacher are working jointly on this.

**Governance (continued)**

***Governance reviews (continued)***

The Governing Body intends to continue with an annual review as part of its annual development day.

The Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to make sure that the College is following the EFA's financial regulations. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Chandler (Chair)	3	3
A Compton	3	3
M Turner	3	3
A Hussain	2	3
I Hamilton-Bower	1	1
M Hamilton	1	1
P Harris	2	2
J Ralphs	1	1
K Hume	1	1
M Miller	2	2

**Review of Value for Money**

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the board of governors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the academy trust has delivered and improved value for money during the year in the following ways:

***Staffing***

This remains the largest element of the budget. Savings have been made in several key areas:

The staffing structure has been reviewed and temporary faculty leaders have replaced permanent ones in advance of a full restructure in 2016/17. Staffing has been minimised during the academic year and the school has utilised faculty teaching assistant time to provide subject specific in-class support for students.

### **Review of Value for Money (continued)**

#### ***Students***

Vulnerable groups are carefully tracked and there have been improvements in the attendance of the most disadvantaged students. The school has established student review boards that monitor performance and ensures that interventions are appropriate. The role of the more able and gifted and talented students co-ordinator has increased over the year with time allocated to meet with the students regularly.

#### ***Facilities***

There has been significant decorating works over the year and the school has successfully applied to open an additional gate to the school premises to ensure students can enter and leave by the most convenient route for them. The canteen facilities have been expanded to provide a canteen area for the years 7-9 only, the hall remains for years 10-11 only and the dining room is available for all students. Specific health and safety checks relating to the buildings and premises facilities have been carried out throughout the year.

#### ***Collaboration***

The school values its role in the local community and has taken part in a local review of the provision of bike spaces. The school is part of:

- ◆ A Primary and Secondary Partnership (PASP) with several local primary schools which supports cross phase developments and sharing of good practice.
- ◆ The Headteacher remains as the Vice-Chair of the Fair Access Panel, sits on the Local Safeguarding Board and the Education Sub-Committee of the Safeguarding Board and is the Vice President of the Croydon Headteacher Association.
- ◆ The school is a member of PiXL, the "Change Through Learning" teaching school alliance and works closely with the Institute for Education in supporting initial teacher training.

#### ***Outcomes***

The school achieved consistently above national average outcomes in terms of achievement and progress. The school had a single permanent exclusion over the year and absence figures are below national average.

#### **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 the College's 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 at the College for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.



**Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**The risk and control framework**

The College's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- ◆ regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Buzzacott LLP, 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. On a termly basis, the auditor reports to the Board of Governors, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Reports covering all terms have been received by the Finance Committee. No significant issues have been raised.

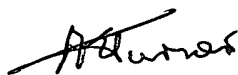
**Review of effectiveness**

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

- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Senior Management Team within the College who have responsibility for the development and maintenance of the internal control framework.

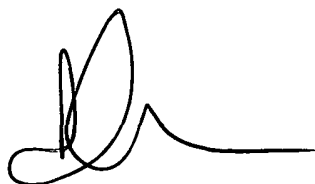
The Accounting Officer has advised the Finance Committee of the implications of her review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors 12 December 2016 and signed on their behalf by:



Mary Turner

**(Chair of Governors)**



Amanda Compton

**(Accounting Officer)**

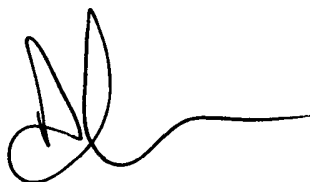
Approved on: 12 December 2016

**Statement of regularity, propriety and compliance 31 August 2016**

As Accounting Officer of Norbury Manor Business and Enterprise College for Girls, I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust Board of Governors 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 trust's funding agreement and the Academies Financial Handbook 2015.

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

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal line.

Amanda Compton

**Accounting Officer**

Date: 12 December 2016

## Statement of Governors' responsibilities 31 August 2016

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2015/16;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College 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 College 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 College 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 charity and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 12 December 2016 and signed on its behalf by:

Mary Turner   
Chair of Governors

**Independent auditor's report on the financial statements 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 ("the charitable company") for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies 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), including FRS 102 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Governors and auditor**

The Governors act as trustees for the charitable activities of Norbury Manor Business and Enterprise College for Girls and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of Governors' responsibilities set out in the Governors' report, including the strategic report, the Governors 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 (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report, including the Strategic 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**

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its income and expenditure for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' report, including 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 Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Catherine Biscoe, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

*16 December 2016*

**Independent reporting accountant's assurance report on regularity to Norbury Manor Business and Enterprise College for Girls and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 3 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 from 1 September 2015 to 31 August 2016 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 the 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 the 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's accounting officer and the reporting accountant**

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, extant from 1 September 2015, 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 2015 to 2016. 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 from 1 September 2015 to 31 August 2016 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 2015 to 2016 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.

**Approach (continued)**

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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**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 from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

*16 December 2016*



**Statement of financial activities (including income and expenditure account) Year to 31 August 2016**

	Notes	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	2016 Total funds £'000	2015 Total funds £'000
<b>Income from:</b>						
Donations and capital grants	1	9	—	24	33	252
Charitable activities						
Funding for the academy's educational operations	4	107	6,247	—	6,354	6,740
Other trading activities	2	285	65	—	350	308
Investments	3	4	—	—	4	7
<b>Total income</b>		<b>405</b>	<b>6,312</b>	<b>24</b>	<b>6,741</b>	<b>7,307</b>
<b>Expenditure on:</b>						
Raising funds	5	—	—	—	—	12
Charitable activities						
Academy's educational operations	6	287	6,716	525	7,528	7,785
<b>Total expenditure</b>	5	<b>287</b>	<b>6,716</b>	<b>525</b>	<b>7,528</b>	<b>7,797</b>
<b>Net income (expenditure)</b>		<b>118</b>	<b>(404)</b>	<b>(501)</b>	<b>(787)</b>	<b>(490)</b>
<b>Transfers between funds</b>		<b>—</b>	<b>(14)</b>	<b>14</b>	<b>—</b>	<b>—</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension scheme	18	—	(696)	—	(696)	36
<b>Net movement in funds</b>		<b>118</b>	<b>(1,114)</b>	<b>(487)</b>	<b>(1,483)</b>	<b>(454)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2015		131	(463)	21,276	20,944	21,398
<b>Total fund balances carried forward at 31 August 2016</b>		<b>249</b>	<b>(1,577)</b>	<b>20,789</b>	<b>19,461</b>	<b>20,944</b>

All of the Academy's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

# Balance sheet 31 August 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Fixed assets</b>					
Tangible fixed assets	11		20,789		21,276
<b>Current assets</b>					
Stock		7		4	
Debtors	12	152		172	
Cash at bank and in hand		912		1,132	
		<u>1,071</u>		<u>1,308</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(318)		(334)	
<b>Net current assets</b>			<u>753</u>		<u>974</u>
<b>Total net assets excluding pension scheme liability</b>			<b>21,542</b>		<b>22,250</b>
Pension scheme liability	18		<u>(2,081)</u>		<u>(1,306)</u>
<b>Total net assets</b>			<u><b>19,461</b></u>		<u><b>20,944</b></u>
<b>Restricted income funds</b>					
. Fixed assets fund	14		20,789		21,276
. Restricted income fund	14		504		843
. Pension reserve	14		<u>(2,081)</u>		<u>(1,306)</u>
<b>Total restricted funds</b>			<b>19,212</b>		<b>20,813</b>
<b>Unrestricted income funds</b>					
. General fund	14		<u>249</u>		<u>131</u>
<b>Total funds</b>			<u><b>19,461</b></u>		<u><b>20,944</b></u>

The financial statements on page 23 to 43 were approved by the Governors, and authorised for issue on 12 December 2016 and are signed on their behalf by:

M Turner  
Chair



Norbury Manor Business and Enterprise College for Girls  
Company Limited by Guarantee  
Registration Number: 07843573 (England and Wales)

**Statement of cash flows 31 August 2016**

		2016 £'000	2015 £'000
<b>Net cash outflow from operating activities</b>			
Net cash used in operating activities	A	(210)	(448)
<b>Cash flows from investing activities</b>	B	(10)	245
<b>Change in cash and cash equivalents in the year</b>		<u>(220)</u>	<u>(203)</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2015		1,132	1,335
<b>Cash and cash equivalents at 31 August 2016</b>	C	<u>912</u>	<u>1,132</u>

**A Reconciliation of net expenditure to net cash flow from operating activities**

	2016 £'000	2015 £'000
<b>Net expenditure for the year (as per the statement of financial activities)</b>	<b>(787)</b>	<b>(490)</b>
<b>Adjusted for:</b>		
Depreciation (note 11)	525	544
Capital grants from DfE and other capital income	(24)	(245)
Interest receivable (note 4)	(4)	(7)
Defined benefit pension scheme cost less contributions payable (note 18)	29	32
Defined benefit pension scheme finance cost (note 18)	50	47
Increase in stocks	(2)	—
Decrease (increase) in debtors	20	(9)
Decrease in creditors	(17)	(320)
<b>Net cash used in operating activities</b>	<b>(210)</b>	<b>(448)</b>

**B Cash flows from investing activities**

	2016 £'000	2015 £'000
Dividends, interest and rents from investments	4	7
Purchase of tangible fixed assets	(38)	(7)
Capital grants from DfE/EFA	24	245
<b>Net cash (used in) provided by investing activities</b>	<b>(10)</b>	<b>245</b>

**C Analysis of cash and cash equivalents**

	2016 £'000	2015 £'000
Cash at bank and in hand	912	1,132
<b>Total cash and cash equivalents</b>	<b>912</b>	<b>1,132</b>

**Statement of accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and rounded to the nearest thousand.

**Transition to FRS 102**

***First time adoption of FRS 102***

These financial statements are the first financial statements of Norbury Manor Business and Enterprise College for Girls prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements Norbury Manor Business and Enterprise College for Girls for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

It is the first year that the academy trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

**Transition to FRS 102 (continued)**

***Explanation of transition to FRS 102***

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net expenditure	2015 £'000
Net expenditure previously reported under UK GAAP	(474)
Change in recognition of LGPS interest cost (A)	(16)
<b>Net expenditure reported under FRS 102</b>	<b>(490)</b>

***A – Change in recognition of LGPS interest cost***

Under previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets in expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £16,000 and increase the credit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

**Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

## **Principal accounting policies Year to 31 August 2016**

### **Income (continued)**

#### ***Grants (continued)***

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

#### ***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

#### ***Expenditure on raising funds***

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### ***Charitable activities***

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are stated net of recoverable VAT.

## **Principal accounting policies Year to 31 August 2016**

### **Tangible fixed assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

♦ Freehold buildings	2%
♦ Fixtures, fittings and equipment	20%
♦ IT equipment	33%

Depreciation is charged from the month of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### **Leased assets**

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

### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

### **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.

### **Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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 trust 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 quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.



## **Principal accounting policies Year to 31 August 2016**

### **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 Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education Funding Agency/Department for Education.

### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### ***Critical accounting estimates and assumptions***

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The useful economic lives of tangible fixed assets have been estimated in line with the policy on page 29.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### ***Critical areas of judgement***

No judgements have been made which are considered to have a significant effect on these financial statements.

**Notes to the Financial Statements Year to 31 August 2016**

**1 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Donations	—	24	24	7
Capital grants	9	—	9	245
	9	24	33	252

**2 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Hire of facilities/lettings income	95	—	95	72
Trip income	—	65	65	57
Catering income	178	—	178	179
Miscellaneous income	12	—	12	—
	285	65	350	308

**3 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Interest receivable	4	—	4	7

**4 Funding for academy's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
<b>DfE / EFA grants</b>				
· General Annual Grant (GAG)	—	5,848	5,848	6,528
· Other DfE / EFA	—	365	365	33
	—	6,213	6,213	6,561
<b>Other Government grants</b>				
· Local authority grants SEN	—	18	18	20
· Special educational projects	—	16	16	16
	—	34	34	36
Other income from the academy trust's educational operations	107	—	107	143
	107	6,247	6,354	6,740

## 5 Expenditure

	Staff costs £'000	Premises £'000	Other £'000	2016 Total funds £'000	2015 Total funds £'000
Expenditure on raising funds	—	—	—	—	12
Academy's educational operations:					
· Direct costs	4,786	525	358	5,669	5,699
· Allocated support costs	689	330	840	1,859	2,086
	<u>5,475</u>	<u>855</u>	<u>1,198</u>	<u>7,528</u>	<u>7,797</u>
<b>Net income/(expenditure) for the year includes:</b>					
Operating lease rentals				28	28
Depreciation				525	544
Fees payable to auditor for					
· Audit				10	10
· Other services				2	2

## 6 Charitable activities - academy's educational operations

	2016 Total funds £'000	2015 Total funds £'000
Direct costs	5,669	5,699
Support costs	1,859	2,086
	<u>7,528</u>	<u>7,785</u>
<b>Analysis of support costs</b>	<b>2016 Total funds £'000</b>	<b>2015 Total funds £'000</b>
Support staff costs	689	675
Depreciation	173	179
Technology costs	54	44
Premises costs	330	521
Other support costs	597	649
Governance costs	16	18
<b>Total support costs</b>	<u><b>1,859</b></u>	<u><b>2,086</b></u>

## 7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2015 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	2015 Total funds £'000
<b>Income from:</b>				
Donations and capital grants	7	—	245	252
Charitable activities				
Funding for the academy's educational operations	298	6,678	—	6,976
Other trading activities	72	—	—	72
Investments	7	—	—	7
<b>Total income</b>	<b>384</b>	<b>6,678</b>	<b>245</b>	<b>7,307</b>
<b>Expenditure on:</b>				
Raising funds	12	—	—	12
Charitable activities				
Academy's educational operations	360	6,881	544	7,785
<b>Total expenditure</b>	<b>372</b>	<b>6,881</b>	<b>544</b>	<b>7,797</b>
<b>Net income (expenditure)</b>	<b>12</b>	<b>(203)</b>	<b>(299)</b>	<b>(490)</b>
Transfers between funds	—	238	(238)	—
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pension scheme	—	36	—	36
<b>Net movement in funds</b>	<b>12</b>	<b>71</b>	<b>(537)</b>	<b>(454)</b>

## 8 Staff

### (a) Staff costs

Staff costs during the year were:

	2016 Total funds £'000	2015 Total funds £'000
Wages and salaries	4,359	4,423
Social security costs	334	357
Pension costs	646	658
	<b>5,339</b>	<b>5,438</b>
Supply teacher costs	136	115
Staff restructuring costs	—	12
	<b>5,475</b>	<b>5,565</b>
	2016 £'000	2015 £'000
Staff restructuring costs comprise		
Redundancy payments	—	12
	—	12

### (b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year expressed as headcount was as follows:

Charitable activities	2016	2015
Teachers	76	80
Administration and support	74	81
Management	7	7
	<b>157</b>	<b>168</b>

### (c) Higher paid staff

The following number of employees had total remuneration (excluding employers' pension contributions) above £60,000, within the following bands:

	2016 No	2015 No
£70,001 - £80,000	3	3
£80,001 - £90,000	1	1

Four (2015 – four) of the above employees participated in the Teachers' Pension Scheme.

## 8 Staff (continued)

### (d) Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £622,418 (2015: £562,342).

## 9 Related party transactions – Governors' remuneration and expenses

Some Governors have been paid remuneration or have received other benefits from an employment with the academy trust. The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, from the academy in respect of their role as governors. The value of Governors' remuneration and other benefits whilst a Governor was as follows:

	2016 £'000	2015 £'000
Amanda Compton, Headteacher		
. Remuneration	85 - 90	85 - 90
. Employer's pension contributions	10 - 15	10 - 15
Patrick Harris, Other staff/governor		
. Remuneration	35 - 40	35 - 40
. Employer's pension contributions	5 - 10	5 - 10
Naps Gallimore		
. Remuneration	45 - 50	15 - 20
. Employer's pension contributions	5 - 10	0 - 5

## 10 Governors' and Officers' insurance

In accordance with normal commercial practice the College has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on College business. The insurance provides unlimited cover and for the year ended 31 August 2016 was included as part of the College's overall RPA insurance package (2015 – separate cost of £1,900).

Other related party transactions involving the trustees are set out in note 19.

## 11 Tangible fixed assets

	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
<b>Cost/valuation</b>				
At 1 September 2015	22,244	896	354	23,494
Additions	19	9	10	38
At 31 August 2016	22,263	905	364	23,532
<b>Depreciation</b>				
At 1 September 2015	1,340	563	315	2,218
Charge in year	365	141	19	525
At 31 August 2016	1,705	704	334	2,743
<b>Net book value</b>				
At 31 August 2016	20,558	201	30	20,789
At 31 August 2015	20,904	333	39	21,276

As permitted by FRS 102, the governors have adopted a policy of not revaluing tangible fixed assets and, under the transitional arrangements set out in FRS 102, with effect from 1 September 2014, the value assigned to the building is now deemed to be its cost

## 12 Debtors

	2016 £'000	2015 £'000
VAT recoverable	4	16
Prepayments and accrued income	148	156
	152	172

## 13 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	—	1
Taxation and social security	119	94
EFA creditor: abatement of GAG	—	10
Other creditors	125	119
Accruals and deferred income	74	110
	318	334

	2016 £'000	2015 £'000
Deferred income at 1 September 2015	80	42
Released during the year	(80)	(42)
Resources deferred in the year	7	80
Deferred income at 31 August 2016	7	80

Deferred income relates to amounts received during the year for school trips taking place in 2016/17.

## 14 Funds

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	734	5,848	(6,064)	(14)	504
. Pupil Premium	109	359	(468)	—	—
. Other grants	—	6	(6)	—	—
. Pension reserve	(1,306)	—	(79)	(696)	(2,081)
	(463)	6,213	(6,617)	(710)	(1,577)
<b>Restricted fixed assets fund</b>					
. Transfer on conversion	21,248	—	(524)	—	20,724
. DfE/EFA capital grants	17	24	(1)	—	40
. Capital expenditure from GAG	11	—	—	14	25
	21,276	24	(525)	14	20,789
<b>Other restricted funds</b>					
. Local authority grants	—	18	(18)	—	—
. Other restricted funds	—	81	(81)	—	—
	—	99	(99)	—	—
<b>Total restricted funds</b>	20,813	6,336	(7,241)	(696)	19,212
<b>Unrestricted funds</b>					
. General funds	131	405	(287)	—	249
<b>Total unrestricted funds</b>	131	405	(287)	—	249
<b>Total funds</b>	20,944	6,741	(7,528)	(696)	19,461

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

### ***EFA revenue grant fund and other restricted funds***

#### ***General Annual Grant (GAG)***

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

#### ***Fixed asset fund***

Restricted fixed asset funds are resources to be spent on particular capital purposes. Transfers out of the fund represented capital funding spent on items which did not meet the College's capitalisation policy.



#### 14 Funds (continued)

##### *Other restricted funds*

Are resources for educational purposes, unrestricted funds are resources for general purposes.

#### 15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	—	—	20,789	20,789
Current assets	249	822	—	1,071
Current liabilities	—	(318)	—	(318)
Pension scheme liability	—	(2,081)	—	(2,081)
<b>Total net assets</b>	<b>249</b>	<b>(1,577)</b>	<b>20,789</b>	<b>19,461</b>

#### 16 Commitments under operating leases

##### *Operating leases*

At 31 August 2016, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2016 £'000	2015 £'000
Amounts due within one year	18	8
Amounts due between two and five years inclusive	61	11
	<b>79</b>	<b>19</b>

#### 17 Members' liability

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

#### 18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Croydon Council. Both are multi-employer defined benefit schemes.

**18 Pension and similar obligations (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £74,780 were payable to the schemes at 31 August 2016 (2015: £70,000) and are included within creditors.

***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)
- ♦ 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%.

## 18 Pension and similar obligations (continued)

### *Teachers' Pension Scheme (continued)*

#### *Valuation of the Teachers' Pension Scheme (continued)*

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

The employer's pension costs paid to TPS in the period amounted to £404,000 (2015: £369,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

### *Local Government Pension Scheme (LGPS)*

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £221,000, of which employer's contributions totalled £159,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are 17.8% of employers and between 5.5% - 12.5% of 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.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.1%	3.6%
Rate of increase for pensions in payment / inflation	2.1%	2.7%
Discount rate for scheme liabilities	2.1%	3.8%
Inflation assumption (CPI)	2.7%	2.7%
Commutation of pensions to lump sums	0.0%	0.0%

**18 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS) (continued)***

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

	At 31 August 2016 years	At 31 August 2015 years
<i>Retiring today</i>		
Males	22	22
Females	24	24
<i>Retiring in 20 years</i>		
Males	24	24
Females	27	27

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	1,133	695
Bonds	340	242
Property	145	154
Cash	—	11
<b>Total market value of assets</b>	<b>1,618</b>	<b>1,102</b>
<b>Present value of scheme liabilities</b>		
Funded	(3,699)	(2,408)
<b>Deficit in the scheme</b>	<b>(2,081)</b>	<b>(1,306)</b>

The actual return on scheme assets was £516,000 (2015: £344,000).

	2016 £'000	2015 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service costs (net of employee contributions)	239	289
Net interest cost	50	47
<b>Total operating charge</b>	<b>289</b>	<b>336</b>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	47	34
Interest on pension liabilities	(97)	(81)
<b>Pension finance income/(costs)</b>	<b>(50)</b>	<b>(47)</b>

## 18 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

Changes in the present value of defined benefit obligations were as follows:	2016 £'000	2015 £'000
At 1 September 2015	2,408	2,021
Upon conversion	—	—
Current service cost	239	289
Interest cost	97	81
Employee contributions	52	61
Actuarial loss/(gain)	915	(40)
Benefits paid	(12)	(4)
Plan introductions, benefit changes, curtailments and settlements		
<b>At 31 August 2016</b>	<b>3,699</b>	<b>2,408</b>

Changes in the fair value of the Academy's share of scheme assets:	2016 £'000	2015 £'000
At 1 September 2015	1,102	758
Upon conversion	—	—
Interest income	47	34
Actuarial gain/(loss)	219	(4)
Employer contributions	210	257
Employee contributions	52	61
Benefits paid	(12)	(4)
<b>At 31 August 2016</b>	<b>1,618</b>	<b>1,102</b>

## 19 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, transactions may take place with organisations in which a member of the 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.

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

## 20 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2016 the trust received £16,000 and disbursed £21,000 from the fund. An amount of £5,000 is included in other creditors relating to undistributed funds that will be disbursed to students in 2016/17.