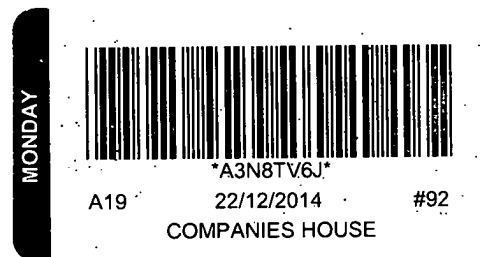


Company Registration No. 07974098 (England and Wales)

BLACKFEN SCHOOL FOR GIRLS
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2014



BLACKFEN SCHOOL FOR GIRLS

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BLACKFEN SCHOOL FOR GIRLS

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr W Stone (Appointed Governor / Chair of Governors) *
Miss B Fadipe (Appointed Governor / Responsible Officer) (Resigned 8 July 2014)
Mrs J Andrews (Appointed Governor)
Mr S J Fitzgerald (Appointed Governor) *
Mr S J Rogers (Appointed Governor) *
Mrs C S Townsend (Appointed Governor) *
Mr M Brown (Head Teacher & Accounting Officer) *
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance) *
Mrs J Cooper (Elected Staff Governor) (Resigned 18 July 2014) *
Mr K Jones (Elected Parent Governor) *
Mr T Perrin (LA Appointed Governor) *
Mrs J Bibbey (Appointed Governor)
Ms K Brewer (Elected Staff Governor)
Mrs A Middleton (Appointed Governor) *
Ms J Phelps (Elected Parent Governor)
Mr E Sweatman (Elected Staff Governor)
Mr T Ford (Elected Parent Governor)
Mrs E Drummond (Elected Parent Governor)
Dr K Hayward (Elected Parent Governor)

* members of the Finance and Audit Committee

Members

Mr W Stone
Mr M Brown
Mr S Rogers
Mrs C Townsend
Mr S Fitzgerald
Miss B Fadipe
Mrs J Andrews

Senior management team

- Head Teacher
- Senior Deputy Head Teacher
- Deputy Head Teacher
- Deputy Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher

Mr M Brown
Dr F Valletta
Ms S Cascarino
Miss L Hand
Ms F Minnis
Ms N Hoad
Mr S Neil
Ms K Brewer
Mr A McGee
Ms K Hayford

Company secretary

Mr G C Morgan

Company registration number

07974098 (England and Wales)

BLACKFEN SCHOOL FOR GIRLS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office	Blackfen School for Girls Blackfen Road Sidcup Kent DA15 9NU United Kingdom
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank PLC Bexleyheath Branch PO Box 1000 BX1 1LT
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT

BLACKFEN SCHOOL FOR GIRLS

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2013 to 31 August 2014. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The principal activity of the company is the operation of a state-funded Academy; Blackfen School for Girls, providing a state education for students aged 11 to 19. It has a pupil capacity of 1380 and had a roll of 1365 in the school census on January 2014.

Structure, governance and management

Constitution

The academy trust was incorporated as a company on 02/03/2012 and the predecessor school converted to academy status on 01/04/2012. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors of Blackfen School for Girls are also the directors of the charitable company for the purposes of company law and they are governors of the Academy.

The charitable company is known as Blackfen School for Girls.

The Governors are the trustees of Blackfen School for Girls and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

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

The academy trust has not provided any third party indemnity provisions.

Method of recruitment and appointment or election of Governors

In accordance with the articles, the governors of the charitable company are the governors. They are appointed as follows;

- a) up to twelve governors appointed by the Governors;
- b) up to three staff governors elected by the staff;
- c) up to five parent governors elected by parents;
- d) one LA governor appointed by LA;
- e) the Head Teacher is an ex-officio governor;
- f) In particular circumstances, as detailed in the Articles of Association the Secretary of State may appoint governors to join the governing body.

In respect of those appointed by the governors, (a), above) when a vacancy arises, the governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors.

BLACKFEN SCHOOL FOR GIRLS

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least four times a year and has four committees which deal with policies, developments and assessment of different areas of the running of the Academy. The committees are as follows:

- Finance & Audit Committee
- Curriculum Committee
- Staffing Committee
- Premises Committee
- Pay & Performance Committee

All of the committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings. The committees meet each term. All policies and budget decisions are agreed by the Governing Body.

The Head Teacher is the Accounting Officer, he is a member of the Finance & Audit, Curriculum, Staffing and Premises committees. The Business Manager is the Principal Finance Officer.

The day to day management of the Academy is undertaken by the Head Teacher, supported by the Leadership Team.

Connected organisations including related party relationships

Blackfen School for Girls is a single Academy and is not part of a federation.

The Academy formed an Umbrella Trust - The Penhill Academies Trust - with two partner schools. These schools are Sherwood Park (primary school) and Hurstmere (boys 11-16 school). The aim will be to promote school improvement across the three schools for all young people in the local community. The vision is for three schools working together for the benefit of the local community. A key aspect of this collaborative working will be to share some costs, hence be more efficient, in terms of potential staffing and purchasing power.

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of Blackfen School for Girls, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

Objectives, strategies and activities

The main objectives during the last year were to:

- improve the quality of teaching and learning
- raise standards and accelerate progress
- develop the right conditions for learning
- ensure that leadership and management improves teaching and learning, student progress and attainment.

Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit.

BLACKFEN SCHOOL FOR GIRLS

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

This has been another successful year for the company. The main focus to the strategic plan is to continue to raise attainment for all groups of students. It was another successful year of high achievement at GCSE with 73% of students gaining 5A*-C including at least a C in English and at least a C in Mathematics. At A Level 35% of grades were A*-B which was a large increase on last year. The number of students in the 6th form was maintained as were the numbers joining the school in year 7.

There were a number of enrichment opportunities available to students throughout the year including a variety of day and residential trips. Some of these were specifically linked to subject areas e.g. the year 8 geography residential trip while others helped students to develop skills of teamwork and collaborative thinking e.g. Duke of Edinburgh Bronze Award. We continued to reap the benefits from recent building work and we staged two large Citizenship events - the Citizenship Fair and the Black History Month carnival celebration.

The school is a truly inclusive school and we have continued to show a specialism in educating young people with a visual impairment or a speech, language or communication disorder.

Key performance indicators

1) Staffing costs to be within +/- 2% of budget allocations:

For the period ending 31st August 2014 teaching costs were at 99.6% of budget allocation and overall staffing costs were at 100% of total budget allocation.

Staffing costs are the Academy's main expense and the good value and commitment of our staff are reflected in our exam results.

2) Learning resources expenditure to be within +/- 5% of budget allocation:

For the period ending 31st August 2014 learning resources expenditure was at 94.2% of budget allocation.

In all of our expenditure the Business Manager, Finance Manager, Governors and Senior Team will obtain the best value and will investigate choices and options available.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review

At 31st August 2014 the net book value of fixed assets was £22,453k (2013: £22,904k) and details are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The academy held fund balances at 31 August 2014 of £22,333k (2013: £22,868k) comprising a fixed asset fund of £22,573k (2013: £22,974k), a deficit on the FRS 17 LGPS fund of £(971k) (2013: £(897k)), restricted general funds of £80k (2013: £72k) and an unrestricted fund of £651k (2013: £719k).

The fixed asset fund comprises three elements, the first being unavailable for spending, representing as it does the net book value of fixed assets already acquired of £22,453k (2013: £22,904k). The second element is available for spending on specific capital projects, representing the unspent balance of capital grants of £148k (2013: £98k). These are offset by the final element, being the balance on a government capital loan of £28k (2013: £28k).

The pension fund deficit is due to be repaid over the long term, in accordance with advice given by scheme actuaries. Note 17 to the accounts gives further analysis of the funds held at 31 August 2014.

BLACKFEN SCHOOL FOR GIRLS

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the Governors review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Financial and risk management objectives and policies

Most of the company's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Plans for future periods

The principal task facing the company is to maintain and continue to improve the good educational standards to outstanding. More specifically, the key objectives for the next academic year are to:

- improve Teaching and Learning to outstanding
- raise standards and accelerate the progress of all students to outstanding
- develop the conditions for learning so that outstanding progress can be made by our students
- ensure that leadership & management at all levels improves teaching and learning, student progress, attainment and behaviour to outstanding.

We plan to implement the above objectives through the implementation of the plan below.

OBJECTIVE 1: Quality of Teaching - Improving Teaching and Learning to outstanding.

To be achieved through:

- more consistent use of data on assessment to raise attainment and progress for all learners including groups
- to develop pedagogy to engage and progress all learners including groups
- to improve student literacy
- more consistent and regular marking of student work, combined with effective feedback, in order to allow all groups of students to make progress

OBJECTIVE 2: Achievement - Raising standards and accelerating progress to outstanding.

To be achieved through:

- ensuring all students meet or exceed their key stage targets in 2014 (English: 3+ levels of progress - 77%, 4+ levels of progress - 40%; Maths: 3+ levels of progress 76%, 4+ levels of progress - 36%. GCSE 5+ A*-C (EM) - 70%, 5+ A*-C - 88%).
- closing the gap of our FSM, LAC, EAL, AEN, ethnic minorities, white British groups
- increasing the proportion of higher attaining students achieving Level 7+ KS3, A-A* GCSE, A-A* AS & A2.

BLACKFEN SCHOOL FOR GIRLS

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVE 3: Behaviour and Safety of Students - Developing conditions for learning to outstanding.

To be achieved through:

- ensuring pupils' attitudes to learning are exemplary
- ensuring pupils' behaviour outside lessons is almost always impeccable
- ensuring there is skilled and highly consistent behaviour management by all staff that makes a strong contribution to an exceptionally positive climate for learning.

OBJECTIVE 4: Leadership and Management - Outstanding leadership & management at all levels, improve teaching and learning, student progress, attainment and behaviour to outstanding.

To be achieved through:

- The development of a culture of leadership at all levels that focuses on outstanding progress and outstanding accountability in all areas of teaching & learning
- CPD for all teaching staff to focus on Teaching and Learning and AFL
- Teacher Appraisal leads to all staff teaching Good or better lessons
- Good or better management to minimise impact of staff turbulence on T&L & progress (especially sickness and planned absence)
- Recruitment and retention of high quality teaching staff
- Review KS3 national curriculum in the light of ongoing changes to GCSEs and A Levels from 2015-16.
- Review KS5 national curriculum in the light of ongoing changes to GCSEs and A Levels from 2015-16.

Funds held as custodian trustee on behalf of others

The academy trust is not acting as custodian for any other external body.

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.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 11 December 2014 and signed on its behalf by:



Mr W Stone

Appointed Governor / Chair of Governors

BLACKFEN SCHOOL FOR GIRLS

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Blackfen School 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 has delegated the day-to-day responsibility to Mr M Brown, the Head Teacher , as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Blackfen School For Girls and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr W Stone (Appointed Governor / Chair of Governors)	6	6
Miss B Fadipe (Appointed Governor / Responsible Officer) (Resigned 8 July 2014)	2	6
Mrs J Andrews (Appointed Governor)	5	6
Mr S J Fitzgerald (Appointed Governor)	4	6
Mr S J Rogers (Appointed Governor)	5	6
Mrs C S Townsend (Appointed Governor)	6	6
Mr M Brown (Head Teacher & Accounting Officer)	6	6
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance)	4	6
Mrs J Cooper (Elected Staff Governor) (Resigned 18 July 2014)	6	6
Mr K Jones (Elected Parent Governor)	6	6
Mr T Perrin (LA Appointed Governor)	6	6
Mrs J Bibbey (Appointed Governor)	4	6
Ms K Brewer (Elected Staff Governor)	2	6
Mrs A Middleton (Appointed Governor)	3	6
Ms J Phelps (Elected Parent Governor)	6	6
Mr E Sweatman (Elected Staff Governor)	6	6
Mr T Ford (Elected Parent Governor)	2	6
Mrs E Drummond (Elected Parent Governor)	3	6
Dr K Hayward (Elected Parent Governor)	4	6

BLACKFEN SCHOOL FOR GIRLS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The Finance and & Audit Committee is a sub-committee of the main Governing Body. Its purpose is to plan and recommend budget for approval by the Full Governing Body. They obtain regular reports from the Responsible Officer, Business Manager, Finance Manager and the Academy's Auditors. The Finance & Audit Committee has formally met 7 times during the year. Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr W Stone (Appointed Governor / Chair of Governors)	3	7
Mr S J Fitzgerald (Appointed Governor)	3	7
Mr S J Rogers (Appointed Governor)	6	7
Mrs C S Townsend (Appointed Governor)	3	7
Mr M Brown (Head Teacher & Accounting Officer)	7	7
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance)	5	7
Mrs J Cooper (Elected Staff Governor) (Resigned 18 July 2014)	6	7
Mr K Jones (Elected Parent Governor)	2	7
Mr T Perrin (LA Appointed Governor)	6	7
Mrs A Middleton (Appointed Governor)	0	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 on-going 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 Blackfen School For Girls for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

The Academy Trust'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 and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Miss B Fadipe, a Governor, as responsible officer (RO).

BLACKFEN SCHOOL FOR GIRLS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the board of governors, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

The Internal Responsible Officer visits alongside the external LA Responsible Officer three times a year. They work through a pre-defined check list and a report by both follows, highlighting their recommendations. Their recommendations are implemented by the Finance team. These items are presented at each Finance and Audit meeting. Governors are satisfied that the RO has delivered their schedule of work as planned. Subsequently B Fadipe resigned on 8th July 2014 as a governor thus the academy losing the internal RO function. The external LA Responsible Officer will continue to report to the Governing Body.

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 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 Trust 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 audit 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 on 11 December 2014 and signed on its behalf by:



Mr W Stone
**Appointed Governor /
Chair of Governors**



Mr M Brown
Accounting Officer

BLACKFEN SCHOOL FOR GIRLS

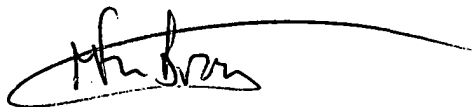
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Blackfen School 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 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 Trust's 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.

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.

Approved on 11 December 2014 and signed by:

A handwritten signature in black ink, appearing to read 'M Brown', with a long horizontal flourish extending to the right.

Mr M Brown
Accounting Officer

BLACKFEN SCHOOL FOR GIRLS

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Blackfen School for Girls and are also the directors of Blackfen School for Girls for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 accounts for each financial year. Under company law the Governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 11 December 2014 and signed on its behalf by:



Mr W Stone

Appointed Governor / Chair of Governors

BLACKFEN SCHOOL FOR GIRLS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLACKFEN SCHOOL FOR GIRLS

We have audited the accounts of Blackfen School for Girls for the year ended 31 August 2014 set out on pages 17 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the Governors, who are also the directors of Blackfen School for Girls for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

BLACKFEN SCHOOL FOR GIRLS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACKFEN SCHOOL FOR GIRLS

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 accounts 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.

David John Walsh FCCA (Senior Statutory Auditor)
Baxter & Co

Chartered Certified Accountants
Statutory Auditor
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated:

BLACKFEN SCHOOL FOR GIRLS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLACKFEN SCHOOL FOR GIRLS AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blackfen School for Girls during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Blackfen School 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 Blackfen School 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 Blackfen School for Girls and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Blackfen School for Girls's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Blackfen School for Girls's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the work of the Responsible Officer.

BLACKFEN SCHOOL FOR GIRLS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLACKFEN SCHOOL FOR GIRLS AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David John Walsh FCCA
For and on behalf of Baxter & Co
Reporting Accountant
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated:

BLACKFEN SCHOOL FOR GIRLS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds	Restricted funds	Fixed Asset fund	Total 2014	Total 2013 17 months
	Notes	£'000	£'000	£'000	£'000	£'000
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	3	-	120	-	120	156
- Inherited on conversion		-	-	-	-	24,432
- Activities for generating funds	4	40	207	-	247	96
- Investment income	5	3	-	-	3	4
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	52	7,605	259	7,916	10,515
Total incoming resources		<u>95</u>	<u>7,932</u>	<u>259</u>	<u>8,286</u>	<u>35,203</u>
Resources expended						
<i>Costs of generating funds</i>						
- Relating to voluntary income	7	-	122	-	122	171
<i>Charitable activities</i>						
- Educational operations	8	139	7,869	648	8,656	12,083
Governance costs	9	-	19	-	19	54
Total resources expended	7	<u>139</u>	<u>8,010</u>	<u>648</u>	<u>8,797</u>	<u>12,308</u>
Net incoming/(outgoing) resources before transfers		(44)	(78)	(389)	(511)	22,895
Gross transfers between funds		(24)	36	(12)	-	-
Net income/(expenditure) for the year		<u>(68)</u>	<u>(42)</u>	<u>(401)</u>	<u>(511)</u>	<u>22,895</u>
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	(24)	-	(24)	(27)
Net movement in funds		<u>(68)</u>	<u>(66)</u>	<u>(401)</u>	<u>(535)</u>	<u>22,868</u>
Fund balances at 1 September 2013		719	(825)	22,974	22,868	-
Fund balances at 31 August 2014		<u>651</u>	<u>(891)</u>	<u>22,573</u>	<u>22,333</u>	<u>22,868</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

BLACKFEN SCHOOL FOR GIRLS

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	12	22,453	22,904
Current assets			
Debtors	13	405	131
Cash at bank and in hand		1,120	1,168
		<u>1,525</u>	<u>1,299</u>
Creditors: amounts falling due within one year	14	(653)	(417)
Net current assets		<u>872</u>	<u>882</u>
Total assets less current liabilities		<u>23,325</u>	<u>23,786</u>
Creditors: amounts falling due after more than one year	15	(21)	(21)
Net assets excluding pension liability		<u>23,304</u>	<u>23,765</u>
Defined benefit pension liability	19	(971)	(897)
Net assets		<u><u>22,333</u></u>	<u><u>22,868</u></u>
Funds of the Academy Trust:			
Restricted income funds	17		
- Fixed asset funds		22,573	22,974
- General funds		80	72
- Pension reserve		(971)	(897)
Total restricted funds		<u>21,682</u>	<u>22,149</u>
Unrestricted funds	17	<u>651</u>	<u>719</u>
Total funds		<u><u>22,333</u></u>	<u><u>22,868</u></u>

The accounts were approved by order of the Board of Governors and authorised for issue on 11 December 2014.


 Mr W Stone
 Appointed Governor / Chair of
 Governors

Company Number 07974098

BLACKFEN SCHOOL FOR GIRLS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

		2014	2013
	Notes	£'000	17 months £'000
Net cash inflow/(outflow) from operating activities	20	(113)	(199)
Cash funds transferred on conversion		-	1,399
Returns on investments and servicing of finance			
Investment income	3		4
Net cash inflow/(outflow) from returns on investments and servicing of finance		3	4
		(110)	1,204
Capital expenditure and financial investments			
Capital grants received	259		69
Payments to acquire tangible fixed assets	(197)		(133)
Net cash flow from capital activities		62	(64)
Net cash inflow/(outflow) before financing		(48)	1,140
Financing			
Repayment of long term bank loan	-		28
Net cash inflow/(outflow) from funding		-	28
Increase/(decrease) in cash	21	(48)	1,168

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust 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 Trust's policies.

1.4 Resources expended

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

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 Trust's depreciation policy.

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

Leasehold Land and buildings	2% Straight Line
Computer equipment	33.33% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	20% Straight Line

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use.

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities.

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.6 Leasing and hire purchase commitments

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

1.7 Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 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 and the assets are held separately from those of the Academy Trust.

Teachers' Pension Scheme

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 quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the Academy Trust 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 are recognised as they are paid each year.

Local Government Pension Scheme

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust 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/other funders where the asset acquired or created is held for a specific purpose.

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

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2014.

3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Voluntary Fund Income	-	120	120	143
Other donations	-	-	-	13
	<u>-</u>	<u>120</u>	<u>120</u>	<u>156</u>

4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Hire of facilities	40	-	40	53
Catering income	-	207	207	43
	<u>40</u>	<u>207</u>	<u>247</u>	<u>96</u>

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Short term deposits	<u>3</u>	<u>-</u>	<u>3</u>	<u>4</u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

6 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
DfE / EFA grants				
General annual grant (GAG)	-	7,273	7,273	10,126
Capital grants	-	259	259	69
Other DfE / EFA grants	-	202	202	148
	-	7,734	7,734	10,343
Other government grants				
Local authority grants	-	115	115	52
Other grants	-	13	13	8
	-	128	128	60
Other funds				
Other incoming resources	52	2	54	112
Total funding	52	7,864	7,916	10,515

7 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Academy's educational operations					
- Direct costs	4,720	518	490	5,728	8,162
- Allocated support costs	1,541	501	886	2,928	3,921
	6,261	1,019	1,376	8,656	12,083
Other expenditure					
Costs of generating voluntary income	-	-	122	122	171
Governance costs	-	-	19	19	54
	-	-	141	141	225
Total expenditure	6,261	1,019	1,517	8,797	12,308

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

7 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2014 £'000	2013 £'000
Operating leases		
- Plant and machinery	11	1
Fees payable to auditor		
- Audit	5	8
- Other services	9	12
	<u> </u>	<u> </u>

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

	2014
	£
Gifts made by the trust - total	31
	<u> </u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Direct costs				
Teaching and educational support staff costs	-	4,720	4,720	6,306
Depreciation	-	518	518	718
Technology costs	15	83	98	321
Educational supplies and services	12	129	141	440
Examination fees	-	158	158	237
Staff development	-	38	38	44
Educational consultancy	-	55	55	96
	<u>27</u>	<u>5,701</u>	<u>5,728</u>	<u>8,162</u>
Allocated support costs				
Support staff costs	1	1,540	1,541	1,982
Depreciation	-	130	130	179
Recruitment and support	-	43	43	75
Maintenance of premises and equipment	91	280	371	735
Cleaning	-	123	123	183
Energy costs	-	130	130	175
Rent and rates	-	77	77	94
Insurance	-	59	59	104
Security and transport	20	8	28	2
Catering	-	228	228	67
Interest and finance costs	-	18	18	43
Other support costs	-	180	180	282
	<u>112</u>	<u>2,816</u>	<u>2,928</u>	<u>3,921</u>
Total costs	<u>139</u>	<u>8,517</u>	<u>8,656</u>	<u>12,083</u>

9 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Legal and professional fees	-	-	-	30
Auditor's remuneration				
- Audit of financial statements	-	7	7	8
- Other non audit costs	-	9	9	14
Support staff costs	-	2	2	1
Other governance costs	-	1	1	1
	<u>-</u>	<u>19</u>	<u>19</u>	<u>54</u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

10 Staff costs

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

	2014 Number	2013 Number
Teachers	100	93
Administration and support	78	73
Management	10	10
	<u>188</u>	<u>176</u>

Costs included within the accounts:

	2014 £'000	2013 £'000
Wages and salaries	4,966	6,749
Social security costs	359	454
Other pension costs	731	796
	<u>6,056</u>	<u>7,999</u>
Supply staff costs	196	289
Staff restructuring costs	9	-
	<u>6,261</u>	<u>8,288</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,000 - £70,000	5	4
£90,001 - £100,000	1	1
	<u>6</u>	<u>5</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	6	5
	£'000	60	49
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-

Staff restructuring costs represent one non-statutory/non-contractual severance payments totalling £8,500.

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Governors' remuneration and expenses

The Head Teacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £1,389 (2013: £815) were reimbursed to 4 Governors (2013: 2 Governors) related to work undertaken as employees of the school.

The value of Governors' remuneration was as follows (2013: 17 month period):

Mr M Brown (Head Teacher) £95,000 - £100,000 (2013: £130,000 - £135,000)
Ms K Brewer (Elected Staff Governor) £45,000 - £50,000 (2013: £70,000 - £75,000)
Mrs J Cooper (Elected Staff Governor) £20,000 - £25,000 (2013: £30,000 - £35,000)
Mr E Sweatman (Elected Staff Governor) £45,000 - £50,000 (2013: £70,000 - £75,000)

Other related party transactions involving the Governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,161 (2013: £2,527).

12 Tangible fixed assets

	Leasehold Land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 September 2013	23,668	80	53	23,801
Additions	172	-	25	197
At 31 August 2014	23,840	80	78	23,998
Depreciation				
At 1 September 2013	850	23	24	897
Charge for the year	606	16	26	648
At 31 August 2014	1,456	39	50	1,545
Net book value				
At 31 August 2014	22,384	41	28	22,453
At 31 August 2013	22,818	57	29	22,904

Leasehold Land is included at a nominal value of £1, reflecting legal restrictions over how the land may be used.

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

13 Debtors	2014 £'000	2013 £'000
Trade debtors	9	18
VAT recoverable	194	57
Other debtors	18	9
Prepayments and accrued income	184	47
	<u>405</u>	<u>131</u>
	<u><u>405</u></u>	<u><u>131</u></u>
14 Creditors: amounts falling due within one year	2014 £'000	2013 £'000
Government loans	7	7
Trade creditors	306	214
Taxes and social security costs	116	108
Accruals	136	88
Deferred income	88	-
	<u>653</u>	<u>417</u>
	<u><u>653</u></u>	<u><u>417</u></u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

15 Creditors: amounts falling due after more than one year	2014	2013
	£'000	£'000
Government loans	21	21
	<u>21</u>	<u>21</u>
Analysis of loans	2014	2013
	£'000	£'000
Wholly repayable within five years	28	28
Less: included in current liabilities	(7)	(7)
	<u>21</u>	<u>21</u>
Amounts included above	<u>21</u>	<u>21</u>
Loan maturity		
Debt due in one year or less	7	7
In more than one year but not more than two years	7	7
In more than two years but not more than five years	14	14
	<u>28</u>	<u>28</u>
	<u>28</u>	<u>28</u>

Upon conversion the academy inherited a loan under a government sponsored scheme providing finance loans for the purpose of purchasing energy efficient equipment.

No subsequent loan arrangements have been entered into.

16 Deferred income	2014	2013
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	88	-
	<u>88</u>	<u>-</u>
Total deferred income at 1 September 2013	-	-
Amounts credited to the statement of financial activities	-	-
Amounts deferred in the year	88	-
	<u>88</u>	<u>-</u>
Total deferred income at 31 August 2014	88	-
	<u>88</u>	<u>-</u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant	5	7,273	(7,303)	36	11
Other DfE / EFA grants	39	202	(200)	-	41
Other government grants	-	128	(128)	-	-
Other restricted funds	28	329	(329)	-	28
	<u>72</u>	<u>7,932</u>	<u>(7,960)</u>	<u>36</u>	<u>80</u>
Funds excluding pensions					
Pension reserve	(897)	-	(50)	(24)	(971)
	<u>(825)</u>	<u>7,932</u>	<u>(8,010)</u>	<u>12</u>	<u>(891)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	69	259	(6)	(8)	314
Inherited fixed asset fund	22,818	-	(600)	-	22,218
Capital expenditure from GAG or other funds	87	-	(42)	(4)	41
	<u>22,974</u>	<u>259</u>	<u>(648)</u>	<u>(12)</u>	<u>22,573</u>
Total restricted funds	<u>22,149</u>	<u>8,191</u>	<u>(8,658)</u>	<u>-</u>	<u>21,682</u>
Unrestricted funds					
General funds	<u>719</u>	<u>95</u>	<u>(139)</u>	<u>(24)</u>	<u>651</u>
Total funds	<u>22,868</u>	<u>8,286</u>	<u>(8,797)</u>	<u>(24)</u>	<u>22,333</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 confirms that the limit was not exceeded.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid. The fund also includes a deduction in respect of outstanding government capital loan balance.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	22,453	22,453
Current assets	774	603	148	1,525
Creditors: amounts falling due within one year	(130)	(523)	-	(653)
Creditors: amounts falling due after one year	7	-	(28)	(21)
Defined benefit pension liability	-	(971)	-	(971)
	<u>651</u>	<u>(891)</u>	<u>22,573</u>	<u>22,333</u>

19 Pensions 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 the London Borough of Bexley. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £43k (2013: £nil) were payable to the schemes at 31 August 2014 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.

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

Valuation of the Teachers' Pension Scheme

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the 'Teachers Pensions website'. <<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>>.

Teachers' Pension Scheme changes

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.5% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £231k.

The employers contribution includes lump sum contributions so as to eliminate the pension deficit over a manageable period of time.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

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.

	2014 £'000	2013 £'000
Employer's contributions	173	254
Employees' contributions	62	78
Total contributions	<u>235</u>	<u>332</u>

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.70	3.90
Rate of increase for pensions in payment	2.20	2.40
Discount rate for scheme liabilities	4.00	4.50
Rate of CPI Inflation	<u>2.20</u>	<u>2.40</u>

Sensitivity Analysis

Scheme liabilities have been valued at £2,551k (2013: £2,260k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £2,494k (2013: £2,215k)

If the inflation rate were to increase by 0.1%, liabilities would be measured at £2,608k (2013: £2,305k)

If the life expectancy were to increase by a year, liabilities would be measured at £2,595k (2013: £2,300k)

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

	2014 Years	2013 Years
Retiring today		
- Males	23.00	22.30
- Females	25.40	24.90
Retiring in 20 years		
- Males	25.30	24.20
- Females	<u>28.30</u>	<u>26.90</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £'000	2013 Expected return %	2013 Fair value £'000
Equities	7.00	962	7.00	873
Government Bonds	2.90	-	3.40	41
Other Bonds	3.80	144	4.40	95
Cash/Liquidity	0.50	9	0.50	27
Property	6.20	166	5.70	123
Other assets	7.00	299	7.00	204
Total market value of assets		1,580		1,363
Present value of scheme liabilities - funded		(2,551)		(2,260)
Net pension asset / (liability)		(971)		(897)

Assumptions on Expected Rates of Return

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date (2.90%). The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield (3.80% p.a).

The yield on equity investments will contain an "equity risk premium" in addition to the yield on government bonds, the overall expected return on equities as at 31 August 2014 was 7% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a premium.

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

	2014 £'000	2013 £'000
Financial expenditure/(income)		
Expected return on pension scheme assets	(90)	(86)
Interest on pension liabilities	108	129
	<u>18</u>	<u>43</u>
Other expenditure/(income)		
Current service cost	205	238
Past service cost	-	-
	<u>205</u>	<u>238</u>
Total operating charge/(income)	<u>223</u>	<u>281</u>

Actuarial gains and losses recognised in the statement of financial activities

	2014 £'000	2013 £'000
Actuarial (gains)/losses on assets: actual return less expected	105	(104)
Experience (gains)/losses on liabilities	(300)	-
(Gains)/losses arising from changes in assumptions	219	131
	<u>24</u>	<u>27</u>
Total (gains)/losses	<u>24</u>	<u>27</u>
Cumulative (gains)/losses to date	<u>51</u>	<u>27</u>

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

	2014 £'000	2013 £'000
Opening defined benefit obligations	(2,260)	-
Obligations acquired on conversion	-	(1,684)
Current service cost	(205)	(238)
Interest cost	(108)	(129)
Contributions by employees	(62)	(78)
Actuarial gains/(losses)	81	(131)
Benefits paid	3	-
	<u>(2,551)</u>	<u>(2,260)</u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

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

	2014 £'000	2013 £'000
Opening fair value of scheme assets	1,363	-
Assets acquired on conversion	-	841
Expected return on assets	90	86
Actuarial gains/(losses)	(105)	104
Contributions by employers	173	254
Contributions by employees	62	78
Benefits paid	(3)	-
	<u>1,580</u>	<u>1,363</u>

History of experience gains and losses:

	2014 £'000	2013 £'000
Present value of defined benefit obligations	(2,551)	(2,260)
Fair value of share of scheme assets	1,580	1,363
	<u>(971)</u>	<u>(897)</u>
Experience adjustment on scheme liabilities	300	-
Experience adjustment on scheme assets	(105)	104
	<u></u>	<u></u>

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £'000	2013 £'000
Net income	(511)	22,895
Capital grants and similar income	(259)	(69)
Net deficit/(surplus) transferred on conversion	-	(24,432)
Net current assets other than cash transferred on conversion	-	208
Investment income	(3)	(4)
FRS17 pension costs less contributions payable	32	(16)
FRS17 pension finance income	18	43
Depreciation of tangible fixed assets	648	897
(Increase)/decrease in debtors	(274)	(131)
Increase/(decrease) in creditors	236	410
	<u>(113)</u>	<u>(199)</u>

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

21	Reconciliation of net cash flow to movement in net funds	2014 £'000	2013 £'000
	Increase/(decrease) in cash	(48)	1,168
	Local authority loans	-	(28)
	Net funds at 1 September 2013	1,140	-
	Net funds at 31 August 2014	1,092	1,140

22	Analysis of net funds	At 1 September 2013 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2014 £'000
	Cash at bank and in hand	1,168	(48)	-	1,120
	Debt due within one year	(7)	-	-	(7)
	Debt due after one year	(21)	-	-	(21)
		(28)	-	-	(28)
	Net balances	1,140	(48)	-	1,092

23 Commitments under operating leases

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Expiry date:		
- Between two and five years	11	12

BLACKFEN SCHOOL FOR GIRLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

24 Capital commitments

	2014 £'000	2013 £'000
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	295	-

Capital commitments at 31 August 2014 of £295k represent the anticipated future costs of completing the "external envelope" project of £286k and a further £9k for the future costs of work benches refurbishment. For the external envelope project £69k is to be funded from unspent Academies Capital Maintenance Funding (ACMF) balance held at 31 August 2014 and a further £217K of ACMF grant due to be received in 2014/15. The work benches refurbishment is to be funded from Devolved Capital grant in 2014/15.

25 Related parties

Owing to the nature of the Academy Trust'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 Governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.