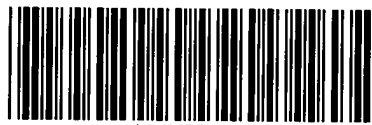


**BLACKFEN SCHOOL FOR GIRLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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# BLACKFEN SCHOOL FOR GIRLS

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# BLACKFEN SCHOOL FOR GIRLS

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr W Stone (Appointed Governor) \*  
Mrs J Andrews (Appointed Governor)  
Mr S J Fitzgerald (Appointed Governor / Chair of Governors) \*  
Mr S J Rogers (Appointed Governor) \*  
Mrs C S Townsend (Appointed Governor / Vice Chair of Governors) \*  
Mr M Brown (Head Teacher & Accounting Officer) \*  
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance) \*  
Mr K Jones (Elected Parent Governor) \*  
Mr T Perrin (LA Appointed Governor) \*  
Mrs J Bibbey (Appointed Governor) Resigned 24/03/2015  
Ms K Brewer (Elected Staff Governor)  
Mrs A Middleton (Appointed Governor) \*  
Ms J Phelps (Appointed Governor / Vice Chair of Governors)  
Mr E Sweatman (Elected Staff Governor)  
Mr T Ford (Elected Parent Governor)  
Mrs E Drummond (Elected Parent Governor) \*  
Dr K Hayward (Elected Parent Governor) \*  
Mrs A Dhorajiwala (Elected Parent Governor) \*  
Mr J Gulis (Elected Staff Governor) Resigned 01/09/2015

\* Members of the Finance and Audit Committee

### Members

Mr W Stone  
Mr M Brown  
Mr S Rogers  
Mrs C Townsend  
Mr S Fitzgerald  
Mrs J Andrews  
Mrs J Bibbey Resigned 24/03/15

### 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
- 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  
Mrs K Brown

### Company secretary

Mr G C Morgan

### Company registration number

07974098 (England and Wales)

### 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

# **BLACKFEN SCHOOL FOR GIRLS**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **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 2015**

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The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2014 to 31 August 2015. 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 1373 in the school census on January 2015.

#### **Structure, governance and management**

##### Constitution

The academy trust was incorporated as a company on 02 March 2012 and the predecessor school converted to academy status on 01 April 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

No Governors' indemnities have been given.

##### Method of recruitment and appointment or election of governors

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

- a) up to twelve governors appointed by the members;
- 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 members, (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.

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# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **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.

#### **Related Parties and other Connected Charities and Organisations**

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 2015**

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### **Strategic report**

#### Achievements and performance

This has been another successful year for the company with continued high achievement at GCSE with 70% 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. The main focus to the strategic plan is to continue to raise attainment for all groups of students but particularly improving attainment at the top end. Other priorities include improving the attendance of FSM students and also improving attainment and progress in Science.

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 have continued to reap the benefits from recent building improvement 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 financial performance indicators

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

For the period ending 31st August 2015 teaching costs were at 91.85% of budget allocation and overall staffing costs were at 93.07% of total budget allocation, the shortfall is due to Maternity leave and in year staff resignations.

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

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

For the period ending 31st August 2015 learning resources expenditure was at 90.28% of budget allocation, this is due to a change of supplier and cost cutting measures.

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.

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### Other key performance indicators

#### Year 11 headline figures

Cohort Summary	Total	Percent
Cohort	211	100
Average Total Points	428.91	
Average Total Capped8	340.12	
Average Total Capped8 inc EM	339.47	
Average Grade Per Student	C+	
Average Points Per Grade Per Student	41.25	
Average Grade Per Student (Capped at Best 8)	C+	
Average Points Per Grade Per Student (Capped at Best 8)	42.52	
Progress/Attainment 8	Total	Percent
Average Total Attainment 8	52.54	
Average Total Progress 8	0.3	
5 A*-C Measures	Total	Percent
Students with 5 x A*-C	175	82.9
Students with 5 x A*-C inc English & Maths	148	70.1
Students with 5 x A*-C inc English, Maths & Science	134	63.5
Students with 5 x A*-C inc Science	148	70.1
E-Bacc Total Measure	Total	Percent
Students in COHORT Achieving the E-BACC	31	14.7
Progress Measures	Total	Percent
Students making 3+ LOP in English	150	71.1
Students making 4+ LOP in English	64	30.3
Students making 3+ LOP in Maths	169	80.1
Students making 4+ LOP in Maths	79	37.4
Value Added Total Measure	Total	Percent
Capped8 +EM VA Score	1028.583	



# BLACKFEN SCHOOL FOR GIRLS

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 6<sup>th</sup> Form Headline figures

Cohort Summary	Total	Percent
Cohort	201	
A Level Cohort	132	
A Level FTE Cohort	132	
Qualification Rate	Total	Percent
Success Rate		49.9
Retention Rate		61.2
Achievement Rate		81.5
Overall	Total	Percent
Overall APS Per Pupil	157.54	
Overall APS Per Entry	82.68	
A Level & Other Academic	Total	Percent
Academic Avg Grade Per Entry	D-	
Academic 1+ A*- B	51	38.6
Academic 2+ A*- B	21	15.9
Academic 3+ A*- B	5	3.8
Academic 1+ A*- C	90	68.2
Academic 2+ A*- C	57	43.2
Academic 3+ A*- C	31	23.5
Academic 1+ A*- E	127	96.2
Academic 2+ A*- E	92	69.7
Academic 3+ A*- E	67	50.8

### 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.

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August;

Fund	Category	2015 £'000	2014 £'000
GAG	Restricted General Funds	0	11
Other DfE/EFA Grants	Restricted General Funds	0	41
Other Income	Restricted General Funds	13	28
<b>Sub-total</b>	<b>General Restricted Funds</b>	<b>13</b>	<b>80</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	90	148
Other Income	Unrestricted General Fund	511	651
<b>Sub-Total</b>	<b>Spendable Funds</b>	<b>756</b>	<b>851</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	22,071	22,453
Salix Energy Loan	Restricted Fixed Asset Fund	(23)	(28)
Share of LGPS Deficit	Restricted Pension Reserve	(1,053)	(971)
<b>Total</b>	<b>All Funds</b>	<b>21,609</b>	<b>22,333</b>

### 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.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### 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 governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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.

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 2015 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
- raising standards and accelerating progress to outstanding
- develop conditions for learning to outstanding so that behaviour and safety throughout the school is outstanding
- ensure there is outstanding leadership & management at all levels that improves teaching and learning, student progress, attainment and behaviour.

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 so that the percentage of observed lessons judged to be good or better is greater than 90% by the end of the autumn term, and greater than 90% by July 2016 and that 90% of students and parents agree that teaching is good or better.**

To be achieved through:

- developing and to start to embed a growth mindset culture at Blackfen
- embedding outstanding T&L strategies which develop a culture of growth mindsets
- promoting assessment and feedback methods that lead to a growth mindset

**OBJECTIVE 2: Achievement - Raising standards and accelerating progress to outstanding so that students are above the national standards in KS2-KS4 progress, English: 3+ levels of progress – 70%, 4+ levels of progress – 32%; Maths: 3+ levels of progress 65%, 4+ levels of progress – 29%. GCSE 5+ A\*-C (EM) – 70%, 5+ A\*-C – 88%**

To be achieved through:

- ensuring all students meet or exceed their key stage targets (separate actions for KS3, 4, 5)
- closing the gap FSM, LAC, EAL, AEN, Y7 Catch-up, ethnic minorities, white British.
- 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 2015**

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**OBJECTIVE 3: Behaviour and Safety of Students - Developing conditions for learning to outstanding so that behaviour and safety throughout the school is 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
- improving the emotional support for students.

**OBJECTIVE 4: Leadership and Management - Outstanding leadership & management at all levels, improve teaching and learning, student progress, attainment and behaviour to outstanding by ensuring there is robust Self Evaluation and Performance Management in place that is firmly linked to the four priorities of the School Raising Attainment Plan reinforced through effective Continual Professional Development of all staff.**

To be achieved through:

- developing a culture of leadership at all levels that focuses on outstanding progress and outstanding accountability in all areas of teaching & learning
- ensuring CPD for all teaching staff focuses on Teaching and Learning and AFL
- Ensuring teacher Appraisal leads to all staff teaching Good or better lessons
- Ensuring good or better management to minimise impact of staff turbulence on T&L & progress (especially sickness and planned absence)
- recruiting and retaining high quality teaching staff
- reviewing the KS3 national curriculum in the light of ongoing changes to GCSEs and A Levels from 2015-16
- reviewing the KS5 national curriculum in the light of ongoing changes to GCSEs and A Levels from 2015-16
- reducing staffing cost of the school from 80% to 77-78%.

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.

### **Funds held as custodian trustee on behalf of others**

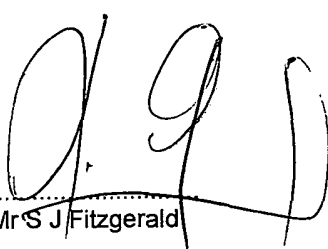
The academy trust is not acting as custodian for any other external body.

### **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 10<sup>th</sup> December 2015 and signed on its behalf by.



Mrs S J Fitzgerald

**Appointed Governor / Chair of Governors**

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### 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 4 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)	4	4
Mrs J Andrews (Appointed Governor)	2	4
Mr S J Fitzgerald (Appointed Governor/Chair of Governors)	3	4
Mr S J Rogers (Appointed Governor)	4	4
Mrs C S Townsend (Appointed Governor/Vice Chair of Governors)	4	4
Mr M Brown (Head Teacher & Accounting Officer)	4	4
Mr S Monger-Godfrey (Appointed Governor/Chair of Finance)	4	4
Mr K Jones (Elected Parent Governor)	4	4
Mr T Perrin (LA Appointed Governor)	4	4
Dr K Hayward (Elected Parent Governor)	3	4
Ms K Brewer (Elected Staff Governor)	3	4
Mrs A Middleton (Appointed Governor)	2	4
Ms J Phelps (Appointed Governor/Vice Chair of Governors)	4	4
Mr E Sweatman (Elected Staff Governor)	4	4
Mr T Ford (Elected Parent Governor)	1	4
Mr J Gullis (Elected Staff Governor)	2	4
Mr E Sweatman (Elected Staff Governor)	4	4
Mrs E Drummond (Elected Parent Governor)	3	4
Mrs A Dhorajiwala (Elected Parent Governor)	3	3

Mr W Stone resigned from his position of Chair of Governors, Mr S Fitzgerald has been appointed Chair of Governors, Mrs C Townsend and Ms J Phelps have been appointed Vice Chair of Governors, Mrs J Bibby resigned as Governor, Mrs B Fadipe resigned as Responsible Officer, Mrs J Phelps is now an appointed Governor and Trustee member and Mrs A Dhorajiwala is Elected Parent Governor, Dr K Hayward is Elected Parent Governor.

### Governance reviews:

- The trust intends to conduct its next self-evaluation review of governance on the 10<sup>th</sup> December 2015.

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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 5 times during the year. Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr W Stone (Appointed Governor)	2	5
Mr S J Fitzgerald (Appointed Governor /Chair of Governors)	2	5
Mr S J Rogers (Appointed Governor)	5	5
Mrs C S Townsend (Appointed Governor)	4	5
Mr M Brown (Head Teacher & Accounting Officer)	4	5
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance)	4	5
Mr K Jones (Elected Parent Governor)	1	5
Mr T Perrin (LA Appointed Governor)	5	5
Mrs A Middleton (Appointed Governor)	0	5

### Review of Value for Money

As accounting officer the Head Teacher 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 each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

#### 1 Staffing

As the largest cost for the Academy I ensure that the Academy continuously analyses the staffing needs against the staffing allocation. This information is reported to, and discussed at, Governors Committee meetings (Finance and Audit and Staffing) in November, February and May. I acknowledge the significant impact that being overstaffed can have on the budget and I aim to ensure that no more than 80% of the budget is allocated to staffing. We were successful in meeting this aim for 2014-2015. Weighed up against this is the importance of recruiting a suitably qualified and skilled staff. Our rigorous recruitment processes ensure this happens and we have a clear strategic plan in terms of the recruitment and retention of high quality teaching staff.

As Accounting Officer I am fully aware of the need to be bearing down on costs and I acknowledged that forthcoming budgets will continue to be "flat". AS part of our Budget Cost Reduction plan we will continue to review how effectively we use staff in the school especially as there will be cost of living rises for all staff during the next year.

I have also made the decision to ensure that staff overtime claims are minimal. Overtime now has to be planned, as far as is possible, in advance and has to be negotiated with the member of staff's line manager. Where possible we encourage staff to take time off in lieu rather than making an overtime claim. Our spending on overtime has subsequently reduced in 2014-15.

#### 2 Energy efficiencies

We have embarked on a process of continually reviewing our existing costs and investigating how we can be more energy efficient. Areas which have been redecorated this year, including our large sports hall, have also been updated in terms of lighting facilities. These facilities, added to our work in 2013-14 on lighting in our main block, will start to ensure that the school is conserving energy and, in turn, reducing costs.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **3 Financial processes**

During the year, through the work of the Business Manager and the Finance Manager, financial processes within the Academy have been streamlined to improve productivity and efficiency and to reduce cost. Our internal controls are sound, tendering processes are agreed with the Governors and are thorough and finances are regularly monitored by myself. The Business Manager has scrutinised all of our contracts and services. Some services have been renegotiated and this has saved money.

### **4 Catering contract**

We reviewed our catering contract during 2014-2015 and a new provider started in September 2015. We anticipate that this will provide improved dining and catering options for staff and students in the school. There has been some capital investment by the catering company. With increased uptake we would expect to see the benefits of the new contract for the school during the next year. The company will also be used for catering for large school based events such as the Oscars ceremony, the year 11 study day and the year 11 celebration event. In the past we have used external providers for these events. This will help to save costs.

### **5 Students and educational outcomes**

I oversee all spending which directly impact on student achievement, for example the effective use of pupil premium money and the effective use of catch up money. It has been another successful year of raising aspirations and releasing potential at Blackfen School. In 2015, 70% of our students gained 5A\*-C at GCSE including at least a C in English and at least a C in Mathematics. At KS5 we have continued to invest in our curriculum opportunities for our young people. Our KS5 results in 2015 were our best ever.

### **6 Collaboration**

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 three schools are now working together for the benefit of the local community. During 2014-15 there was a start to some collaborative work. A key aspect of this collaborative working is to share some costs, hence be more efficient, in terms of potential staffing and purchasing power.

### **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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of 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 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **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 approved the continuation of the External Responsible Officer (RO). The Prior governor appointed as Internal Responsible Officer (RO) Miss B Fadipe resigned midyear, which left the Responsible Officer (RO) role vacant; the board of Governors have agreed not to replace this function.

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 Responsible Officer visited 2 times during the year.

Checks carried out included

- Check 1 Testing of Purchasing and Payments
- Check 2 Testing of Payroll
- Check 3 Testing of Expenses
- Check 4 Testing of Bank Reconciliation
- Check 5 Testing of Income
- Check 6 Testing of Fund Manager

No material control issues have been notified to Governors as a result of the RO's work.

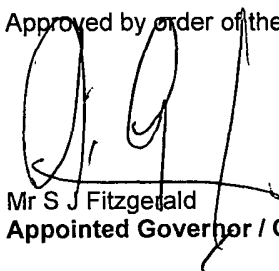
#### **Review of effectiveness**

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 10<sup>th</sup> December 2015 and signed on its behalf by:



Mr S J Fitzgerald  
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 2015**

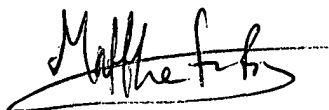
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As accounting officer of Blackfen School for Girls I have considered my responsibility to notify the Academy Trust Board of Governors and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. 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 10 December 2015 and signed by:

A handwritten signature in black ink, appearing to read 'M. Brown', written over a horizontal line.

Mr M Brown  
Accounting Officer

# BLACKFEN SCHOOL FOR GIRLS

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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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 (EFA), 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 2005;
- 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 10 December 2015 and signed on its behalf by:



Mrs J Fitzgerald

Appointed Governor Chair of Governors

# **BLACKFEN SCHOOL FOR GIRLS**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BLACKFEN SCHOOL FOR GIRLS**

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We have audited the accounts of Blackfen School for Girls for the year ended 31 August 2015 set out on pages 21 to 43. 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 to 2015 issued by the Education Funding Agency (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 16, 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

In our opinion the information given in the Governors' Report including the incorporated Strategic 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**

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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)**

**For and on behalf of Baxter & Co**

**Statutory Auditor**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 18 December 2015

# **BLACKFEN SCHOOL FOR GIRLS**

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

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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 to 2015, 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 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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 programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2014, issued by the EFA.

# **BLACKFEN SCHOOL FOR GIRLS**

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

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### **Conclusion**

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

**Baxter & Co**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 18 December 2015

# BLACKFEN SCHOOL FOR GIRLS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources</b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	3	-	232	-	232	120
- Activities for generating funds	4	38	239	-	277	247
- Investment income	5	5	-	-	5	3
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	82	7,430	246	7,758	7,916
<b>Total incoming resources</b>		<b>125</b>	<b>7,901</b>	<b>246</b>	<b>8,272</b>	<b>8,286</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	7	-	247	-	247	122
<i>Charitable activities</i>						
- Educational operations	8	265	7,699	655	8,619	8,656
Governance costs	9	-	18	-	18	19
<b>Total resources expended</b>	<b>7</b>	<b>265</b>	<b>7,964</b>	<b>655</b>	<b>8,884</b>	<b>8,797</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(140)</b>	<b>(63)</b>	<b>(409)</b>	<b>(612)</b>	<b>(511)</b>
Gross transfers between funds		-	26	(26)	-	-
<b>Net income/(expenditure) for the year</b>		<b>(140)</b>	<b>(37)</b>	<b>(435)</b>	<b>(612)</b>	<b>(511)</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	(112)	-	(112)	(24)
<b>Net movement in funds</b>		<b>(140)</b>	<b>(149)</b>	<b>(435)</b>	<b>(724)</b>	<b>(535)</b>
Fund balances at 1 September 2014		651	(891)	22,573	22,333	22,868
<b>Fund balances at 31 August 2015</b>		<b>511</b>	<b>(1,040)</b>	<b>22,138</b>	<b>21,609</b>	<b>22,333</b>

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 2015

		2015	2014
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	22,071	22,453
<b>Current assets</b>			
Debtors	13	255	405
Cash at bank and in hand		951	1,120
		1,206	1,525
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(597)	(653)
<b>Net current assets</b>		609	872
<b>Total assets less current liabilities</b>		22,680	23,325
Creditors: amounts falling due after more than one year	15	(18)	(21)
<b>Net assets excluding pension liability</b>		22,662	23,304
Defined benefit pension liability	19	(1,053)	(971)
<b>Net assets</b>		21,609	22,333
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		22,138	22,573
- General funds		13	80
- Pension reserve		(1,053)	(971)
<b>Total restricted funds</b>		21,098	21,682
<b>Unrestricted income funds</b>	17	511	651
<b>Total funds</b>		21,609	22,333

The accounts were approved by order of the Board of Governors and authorised for issue on 10 December 2015.

Mr S. J. Fitzgerald  
Appointed Governor/ Chair of  
Governors

Company Number 07974098



# BLACKFEN SCHOOL FOR GIRLS

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	20	(142)	(113)
<b>Returns on investments and servicing of finance</b>			
Investment income	5	3	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		5	3
		(137)	(110)
<b>Capital expenditure and financial investments</b>			
Capital grants received	246	259	
Payments to acquire tangible fixed assets	(273)	(197)	
<b>Net cash flow from capital activities</b>		(27)	62
<b>Net cash inflow/(outflow) before financing</b>		(164)	(48)
<b>Financing</b>			
Repayment of long term loan	(5)	-	
<b>Net cash inflow/(outflow) from funding</b>		(5)	-
<b>Increase/(decrease) in cash</b>	21	(169)	(48)

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 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 2014 to 2015 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, i.e. 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 accounting policies.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1 Accounting 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.

##### 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 on a straight-line basis 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

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1 Accounting policies

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.

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.

#### 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.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 1 Accounting policies

#### 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 with restrictions imposed by the funder / donor and include grants from the Education Funding Agency/Department for Education and other donors.

### 1.10 Agency Arrangement

The academy trust acts as agent in distributing 16-19 bursary funds from EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held are disclosed in note 27.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2015 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 2015.

### 3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Voluntary Fund Income	-	232	232	120

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	38	-	38	40
Catering income	-	239	239	207
	<u>38</u>	<u>239</u>	<u>277</u>	<u>247</u>

### 5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	5	-	5	3
	<u>5</u>	<u>-</u>	<u>5</u>	<u>3</u>

### 6 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	7,136	7,136	7,273
Capital grants	-	246	246	259
Other DfE / EFA grants	-	165	165	202
	<u>-</u>	<u>7,547</u>	<u>7,547</u>	<u>7,734</u>
<b>Other government grants</b>				
Local authority grants	-	108	108	115
Other grants	-	20	20	13
	<u>-</u>	<u>128</u>	<u>128</u>	<u>128</u>
<b>Other funds</b>				
Other incoming resources	82	1	83	54
	<u>82</u>	<u>1</u>	<u>83</u>	<u>54</u>
<b>Total funding</b>	<u>82</u>	<u>7,676</u>	<u>7,758</u>	<u>7,916</u>

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 7 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
<b>Academy's educational operations</b>					
- Direct costs	4,877	525	491	5,893	5,728
- Allocated support costs	1,449	384	893	2,726	2,928
	<u>6,326</u>	<u>909</u>	<u>1,384</u>	<u>8,619</u>	<u>8,656</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	-	-	247	247	122
Governance costs	-	-	18	18	19
	<u>-</u>	<u>-</u>	<u>265</u>	<u>265</u>	<u>141</u>
<b>Total expenditure</b>	<u>6,326</u>	<u>909</u>	<u>1,649</u>	<u>8,884</u>	<u>8,797</u>

### Incoming/outgoing resources for the year include:

	2015 £'000	2014 £'000
Operating leases		
- Plant and machinery	14	11
Fees payable to auditor		
- Audit	6	5
- Other services	10	9
	<u>20</u>	<u>25</u>

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

	2015 £
Cash losses - total	<u>50</u>

The academy suffered a cash theft of £6,255, £6,205 of which was subsequently claimed from insurers. The net loss suffered was therefore £50.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	259	4,618	4,877	4,720
Depreciation	-	525	525	518
Technology costs	-	86	86	98
Educational supplies and services	3	146	149	141
Examination fees	-	155	155	158
Staff development	-	34	34	38
Educational consultancy	-	67	67	55
	<u>262</u>	<u>5,631</u>	<u>5,893</u>	<u>5,728</u>
<b>Allocated support costs</b>				
Support staff costs	1	1,448	1,449	1,541
Depreciation	-	130	130	130
Recruitment and support	-	53	53	43
Maintenance of premises and equipment	2	252	254	371
Cleaning	-	107	107	123
Energy costs	-	137	137	130
Rent and rates	-	81	81	77
Insurance	-	63	63	59
Security and transport	-	9	9	28
Catering	-	256	256	228
Interest and finance costs	-	9	9	18
Other support costs	-	178	178	180
	<u>3</u>	<u>2,723</u>	<u>2,726</u>	<u>2,928</u>
<b>Total costs</b>	<u>265</u>	<u>8,354</u>	<u>8,619</u>	<u>8,656</u>

### 9 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Auditor's remuneration				
- Audit of financial statements	-	6	6	7
- Other non audit costs	-	10	10	9
Support staff costs	-	-	-	2
Other governance costs	-	2	2	1
	<u>-</u>	<u>18</u>	<u>18</u>	<u>19</u>



# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 10 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	5,006	4,966
Social security costs	352	359
Other pension costs	687	731
	<u>6,045</u>	<u>6,056</u>
Supply teacher costs	281	196
Staff restructuring costs	-	9
	<u>281</u>	<u>196</u>
Total staff costs	<u>6,326</u>	<u>6,261</u>

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:

	2015 Number	2014 Number
Teachers	90	100
Administration and support	90	78
Management	10	10
	<u>190</u>	<u>188</u>

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

	2015 Number	2014 Number
£60,000 - £70,000	7	5
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

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

		2015	2014
Teachers' Pension Scheme	Numbers	9	6
	£'000	<u>87</u>	<u>60</u>
Local Government Pension Scheme	Numbers	-	-
	£'000	<u>-</u>	<u>-</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2014: one payment of £8,500).

# **BLACKFEN SCHOOL FOR GIRLS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **11 Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, 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.

The value of Governors' remuneration and other benefits was as follows:

Mr M Brown (Head Teacher):

- Remuneration £100,000 - £105,000 (2014: £95,000-£100,000)
- Employer's pension contributions £10,000 - £15,000 (2014: £10,000-£15,000)

Ms K Brewer (elected staff governor):

- Remuneration £60,000 - £65,000 (2014: £45,000-£50,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000-£10,000)

Mrs J Cooper (elected staff governor): resigned 18 July 2014

- Remuneration n/a (2014: £20,000-£25,000)
- Employer's pension contributions n/a (2014: £0,000-£5,000)

Mr E Sweatman (elected staff governor):

- Remuneration £45,000 - £50,000 (2014: £45,000-£50,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000-£10,000)

During the year, expenses totalling £462 (2014: £1,389) were reimbursed or paid directly to 1 Governor (2014: 4 Governors) in respect of expenses incurred in performing the duties of employment.

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 (2014: £5,000,000) on any one claim and the cost for the year ended 31 August 2015 was £2,140 (2014: £2,161). The cost of this insurance is included in the total insurance cost.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 12 Tangible fixed assets

	Leasehold Land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2014	23,840	80	78	23,998
Additions	259	-	14	273
At 31 August 2015	24,099	80	92	24,271
<b>Depreciation</b>				
At 1 September 2014	1,456	39	50	1,545
Charge for the year	614	16	25	655
At 31 August 2015	2,070	55	75	2,200
<b>Net book value</b>				
At 31 August 2015	22,029	25	17	22,071
At 31 August 2014	22,384	41	28	22,453

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

### 13 Debtors

	2015 £'000	2014 £'000
Trade debtors	14	9
VAT recoverable	117	194
Other debtors	23	18
Prepayments and accrued income	101	184
	255	405

### 14 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Government loans	5	7
Trade creditors	230	306
Taxes and social security costs	113	116
EFA creditors	24	-
Other creditors	89	-
Accruals	89	136
Deferred income	47	88
	597	653

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15	Creditors: amounts falling due after more than one year	2015 £'000	2014 £'000
	Government loans	18	21
	<b>Analysis of loans</b>		
	Wholly repayable within five years	23	28
	Less: included in current liabilities	(5)	(7)
	Amounts included above	18	21
	<b>Loan maturity</b>		
	Debt due in one year or less	5	7
	In more than one year but not more than two years	5	7
	In more than two years but not more than five years	13	14
		23	28

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	2015 £'000	2014 £'000
	Deferred income is included within:		
	Creditors due within one year	47	88
	Total deferred income at 1 September 2014	88	-
	Amounts credited to the statement of financial activities	(88)	-
	Amounts deferred in the year	47	88
	<b>Total deferred income at 31 August 2015</b>	<b>47</b>	<b>88</b>

Deferred income consists of £47k of Prepaid trip income received in advance.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 17 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant	11	7,136	(7,173)	26	-
Other DfE / EFA grants	41	165	(206)	-	-
Other government grants	-	128	(128)	-	-
Other restricted funds	28	472	(487)	-	13
	<u>80</u>	<u>7,901</u>	<u>(7,994)</u>	<u>26</u>	<u>13</u>
Funds excluding pensions	80	7,901	(7,994)	26	13
Pension reserve	(971)	-	30	(112)	(1,053)
	<u>(891)</u>	<u>7,901</u>	<u>(7,964)</u>	<u>(86)</u>	<u>(1,040)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	314	246	(14)	(46)	500
Inherited fixed asset fund	22,218	-	(600)	-	21,618
Capital expenditure from GAG or other funds	41	-	(41)	20	20
	<u>22,573</u>	<u>246</u>	<u>(655)</u>	<u>(26)</u>	<u>22,138</u>
<b>Total restricted funds</b>	<u>21,682</u>	<u>8,147</u>	<u>(8,619)</u>	<u>(112)</u>	<u>21,098</u>
<b>Unrestricted funds</b>					
General funds	<u>651</u>	<u>125</u>	<u>(265)</u>	<u>-</u>	<u>511</u>
<b>Total funds</b>	<u>22,333</u>	<u>8,272</u>	<u>(8,884)</u>	<u>(112)</u>	<u>21,609</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 2015. 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 2015

#### 18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	22,071	22,071
Current assets	511	605	90	1,206
Creditors falling due within one year	-	(592)	(5)	(597)
Creditors falling due after one year	-	-	(18)	(18)
Defined benefit pension liability	-	(1,053)	-	(1,053)
	<u>511</u>	<u>(1,040)</u>	<u>22,138</u>	<u>21,609</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 multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £89k (2014: £43k) were payable to the schemes at 31 August 2015 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.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 19 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £462k (2014: £526k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The 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

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 23.2% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £236k.

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

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.

Contributions made	2015 £'000	2014 £'000
Employer's contributions	264	173
Employees' contributions	59	62
Total contributions	323	235

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.80	3.70
Rate of increase for pensions in payment	2.30	2.20
Discount rate for scheme liabilities	4.00	4.00
Rate of CPI Inflation	2.30	2.20

#### Sensitivity Analysis

Scheme liabilities have been valued at £2,843k (2014: £2,551k). 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 £2,780k (2014: £2,494k)

If the inflation rate were to increase by 0.1%, liabilities would be measured at £2,908k (2014: £2,608k)

If the life expectancy were to increase by a year, liabilities would be measured at £2,893k (2014: £2,595k)

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

	2015 Years	2014 Years
Retiring today		
- Males	23.10	23.00
- Females	25.50	25.40
Retiring in 20 years		
- Males	25.40	25.30
- Females	28.40	28.30



# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

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

	2015 Expected return %	2015 Fair value £'000	2014 Expected return %	2014 Fair value £'000
Equities	6.50	1,059	7.00	962
Government Bonds	2.50	-	2.90	-
Other Bonds	3.60	156	3.80	144
Cash/Liquidity	0.50	34	0.50	9
Property	6.10	208	6.20	166
Other assets	6.50	333	7.00	299
Total market value of assets		1,790		1,580
Present value of scheme liabilities - funded		(2,843)		(2,551)
Net pension asset / (liability)		(1,053)		(971)

#### 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 (2.50%). 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 (3.60% 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 2015 was 6.50% p.a.

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

The actual return on fund assets during the year was £45k (2014: £150k).

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

### 19 Pensions and similar obligations

#### Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	225	205
Past service cost	-	-
	<u>225</u>	<u>205</u>
Total operating charge	<u>225</u>	<u>205</u>
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(95)	(90)
Interest on pension liabilities	104	108
	<u>9</u>	<u>18</u>
Net finance costs/(income)	<u>9</u>	<u>18</u>
<b>Total charge/(income)</b>	<u>234</u>	<u>223</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000	2014 £'000
Actuarial (gains)/losses on assets: actual return less expected	49	105
Experience (gains)/losses on liabilities	-	(300)
(Gains)/losses arising from changes in assumptions	63	219
	<u>112</u>	<u>24</u>
Total (gains)/losses	<u>112</u>	<u>24</u>
Cumulative (gains)/losses to date	<u>163</u>	<u>51</u>

#### Movements in the present value of defined benefit obligations

	2015 £'000	2014 £'000
Obligations at 1 September 2014	(2,551)	(2,260)
Current service cost	(225)	(205)
Interest cost	(104)	(108)
Contributions by employees	(59)	(62)
Actuarial gains/(losses)	(63)	81
Benefits paid	159	3
	<u>(2,843)</u>	<u>(2,551)</u>
At 31 August 2015	<u>(2,843)</u>	<u>(2,551)</u>

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

#### Movements in the fair value of scheme assets

	2015 £'000	2014 £'000
Assets at 1 September 2014	1,580	1,363
Expected return on assets	95	90
Actuarial gains/(losses)	(49)	(105)
Contributions by employers	264	173
Contributions by employees	59	62
Benefits paid	(159)	(3)
At 31 August 2015	1,790	1,580

#### History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(2,843)	(2,551)	(2,260)
Fair value of share of scheme assets	1,790	1,580	1,363
Surplus / (deficit)	(1,053)	(971)	(897)
Experience adjustment on scheme assets	(49)	(105)	104
Experience adjustment on scheme liabilities	-	300	-

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

	2015 £'000	2014 £'000
Net income	(612)	(511)
Capital grants and similar income	(246)	(259)
Investment income	(5)	(3)
Defined benefit pension costs less contributions payable	(39)	32
Defined benefit pension finance costs/(income)	9	18
Depreciation of tangible fixed assets	655	648
(Increase)/decrease in debtors	150	(274)
Increase/(decrease) in creditors	(54)	236
Net cash inflow/(outflow) from operating activities	(142)	(113)

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21	Reconciliation of net cash flow to movement in net funds	2015 £'000	2014 £'000
	Increase/(decrease) in cash	(169)	(48)
	Local authority loans	5	-
	Net funds at 1 September 2014	1,092	1,140
	<b>Net funds at 31 August 2015</b>	<b>928</b>	<b>1,092</b>

22	Analysis of net funds	At 1 September 2014 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2015 £'000
	Cash at bank and in hand	1,120	(169)	-	951
	Debt due within one year	(7)	5	(3)	(5)
	Debt due after one year	(21)	-	3	(18)
		(28)	5	-	(23)
	Net balances	1,092	(164)	-	928

### 23 Commitments under operating leases

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

	2015 £'000	2014 £'000
Expiry date:		
- Between two and five years	16	11

### 24 Capital commitments

	2015 £'000	2014 £'000
At 31 August 2015 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 represented the anticipated costs for completing the "external envelope" project of £286k and work benches refurbishment (£9k), both projects being capitalised.

# **BLACKFEN SCHOOL FOR GIRLS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **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.

The following transactions took place in the period of account.

The academy purchased services from MiddletonMurray a limited company registered in England and Wales (Company No. 06815186) for £1,100 and received income of £1,500. MiddletonMurray is a related party by the virtue that it's CEO (Angela Middleton) is also a Governor/Director at the Academy. At the year end the Academy was owed £1,500 which is included in debtors and owed £1,100 which is included in amounts falling due within one year.

In entering into these transactions the trust has complied with the requirements of EFA's Academies Financial Handbook

#### **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.

#### **27 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £23,042 and disbursed £8,462 from the fund. An amount of £14,580 is included within creditors: amounts falling due in less than one year relating to undistributed funds that are repayable to the EFA.