Company Registration No. 07974098 (England and Wales)

BLACKFEN SCHOOL FOR GIRLS

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

TUESDAY

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COMPANIES HOUSE

BLACKFEN SCHOOL FOR GIRLS

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BLACKFEN SCHOOL FOR GIRLS

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees and Directors)

Mr W Stone (Appointed Governor)
Mrs J Andrews (Appointed Governor)
Mr S J Fitz-Gerald (Appointed Governor / Chair of Governors) *
Mrs C S Townsend (Appointed Governor / Vice Chair of Governors) *
Mr M Brown (Head Teacher & Accounting Officer) *
Mr T Perrin (Appointed Governor / Chair of Finance) *
Ms K Brewer (Elected Staff Governor)
Ms J Phelps (Appointed Governor / Vice Chair of Governors)
Mr H Petre (Elected Parent Governor) Removed 20/09/18
Mrs A Dhorajiwala (Elected Parent Governor)
Mr R Shaw (Elected Staff Governor) Appointed
Mr M Felton (Appointed Governor) Removed 20/09/18
Ms A Salter (Appointed Governor) Resigned 15/01/19
Mr L Thomas (Elected Parent Governor) *
Ms D Moore (Elected Parent Governor)
Mrs L Ashdown (Appointed Governor)
Mrs L Twiner (Elected Parent Governor) *

* Members of the Finance and Audit Committee

Members	Mr M Brown Mrs C Townsend Mr S Fitz-Gerald Mr W Stone Mrs J Andrews
Leadership Team	
- Head Teacher	Mr M Brown
- Deputy Head Teacher	Ms S Cascarino
- Deputy Head Teacher	Miss L Hand
- Deputy Head Teacher	Ms F Minnis
- Assistant Head Teacher	Ms N Hoad
- Assistant Head Teacher	Mr S Neil
- Assistant Head Teacher	Ms K Brewer
- Assistant Head Teacher	Mr A McGee
- Assistant Head Teacher	Ms K Hayford
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

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank PLC Bexleyheath Branch PO Box 1000 BX1 1LT
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

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 student capacity of 1500 and had a roll of 1400 in the school census on January 2019.

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 trustees and 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.

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*

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 five 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. *The Finance and Audit Committee meet 6 times a year. 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.

Arrangements for setting pay and remuneration of key management personnel

The leadership team (LT) are the key management personnel of the trust. Trustees are also senior leaders although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Head Teacher is set annually by the group responsible for setting the Head Teacher's pay. An external adviser is used to evaluate the performance of the Head Teacher and to advise the Governors panel accordingly. The final pay decision recommendation is made to the full Governing body for ratification. Pay is set having regards to performance against objectives set the previous year. Pay of other LT members is also set by the Pay and Performance Committee again having regard to performance against previously agreed objectives and any recommendations made by the Head Teacher.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.4

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1% - 50%	2.8%
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£1223
Total Pay bill	£6,018,000
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0.290%

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 2 partner schools. These schools were Sherwood Park (primary school), Hurstmere (boys 7-11 School). Chislehurst and Sidcup Grammar School (mixed gender 7 -13) and Bexley Grammar School (mixed gender 7 -13) joined in year to bring the partner schools to 4. The aim is to promote school improvement across the five schools for all young people in the local community. The vision is for five schools working together for the benefit of the local community. 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 Head Teachers meet formally once a term and the Penhill Trust Board meets formally once a term. Minutes from these meetings are discussed at the Blackfen school governing body meetings.

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:

Ensure that effective leadership & management at all levels improves student progress;
Improve the quality of teaching, learning and assessment;
Develop conditions for learning to outstanding;
Raise standards and accelerate progress; and
Improve16-19 provision.

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.

Strategic report

Achievements and performance

This has been another successful year for the company with continued high achievement at GCSE with 65% of students achieving grades 9 – 4 in English and Maths. Progress was positive for the cohort. The main focus of the strategic plan was to continue to raise attainment for all groups of students but particularly to improve attainment for the higher prior attaining students and for the disadvantaged. We saw an increase of 20% in the number of pupils in receipt of PP funding achieving a Positive Overall Progress 8 score. The percentage of students achieving the highest grades of 9 – 7 remained similar to 2018 and will continue to be a focus throughout this year. At Level 3 (16-18) 75% of students achieved 1+ A*- C (or equivalent).
There were a number of enrichment opportunities available to students throughout the year including our annual Discover days and Challenge days.

Residential trips to India, New York, Brussels and Paris took place and many students were successful in the Duke of Edinburgh award. We staged a Careers Fair, a Citizenship Fair and an International evening celebration as well as numerous music, drama and dance performances.

We have continued to invest in improving the buildings in the school and in improving the IT infrastructure. The school secured a ESFA CIF bid for a new teaching block that will see the removal of 3 temporary and outworn facilities. The school had a 10GB fibre backbone installed and now as a network star configuration that has given us network resilience.

The school is inclusive with highly trained teachers in the resource provision, specialising in speech and language difficulties as well as a speech and language therapist.

The school last had an Ofsted inspection in March 2016 when the school was deemed to be good. The school expects to have an Ofsted inspection in 2019-2020.

Key financial performance indicators

1) Staffing costs to be within +/- 2% of budget allocations:
For the period ending 31st August 2019 teaching costs were at 97.45% of budget allocation and overall staffing costs were at 97.87% of total budget allocation. The overall employee cost are at 100.18% of budget and this is due to unforeseen staff sickness.
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 2019 learning resources expenditure was at 98.00% 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 Leadership Team will obtain the best value and will investigate choices and options available.

Other key performance indicators

Year 11 headline figures

Measure	Total	%
Cohort	201	100
Attainment/Progress 8 Summary		
Measure	Total	%
Average Total Attainment 8	46.15	
Average Attainment 8 Grade	4.62	
Average KS2 Prior Attainment	4.79	
Average Estimated A8	46.02	
Average Total Progress 8	0.024	
Pupils Included (Progress 8 Coverage)	196	97.5
Positive Progress 8		
Measure	Total	%
Pupils achieving a Positive Overall Progress 8 score	106	54.1
Pupils achieving a Positive Progress 8 score in ALL 4 baskets	41	20.9
Pupils achieving a Positive Progress 8 score in English	110	56.1
Pupils achieving a Positive Progress 8 score in Maths	81	41.3

Pupils achieving a Positive Progress 8 score in EBacc	78	39.8
Pupils achieving a Positive Progress 8 score in Open	114	58.2
Basics 9-7		
Measure	Total	%
Students Achieving 9-7 in English and Maths	12	6
Students Achieving 9-7 in English	43	21.4
Students Achieving 9-7 in Maths	21	10.4
Students NOT Achieving 9-7 in English or Maths	149	74.1
Students Achieving 9-7 in English but NOT Maths	31	15.4
Students Achieving 9-7 in Maths but NOT English	9	4.5
Basics 9-5		
Measure	Total	%
Students Achieving 9-5 in English and Maths	73	36.3
Students Achieving 9-5 in English	142	70.6
Students Achieving 9-5 in Maths	75	37.3
Students NOT Achieving 9-5 in English or Maths	57	28.4
Students Achieving 9-5 in English but NOT Maths	69	34.3
Students Achieving 9-5 in Maths but NOT English	2	1
Basics 9-4		
Measure	Total	%
Students Achieving 9-4 in English and Maths	130	64.7
Students Achieving 9-4 in English	173	86.1
Students Achieving 9-4 in Maths	137	68.2
Students NOT Achieving 9-4 in English or Maths	21	10.4
Students Achieving 9-4 in English but NOT Maths	43	21.4
Students Achieving 9-4 in Maths but NOT English	7	3.5

6th Form Headline figures

Cohort Summary	Total	Percent
Cohort	138	
A Level Cohort	87	
Academic Cohort	88	
Vocational Cohort	72	
Applied General Cohort	65	
Tech Level Cohort	36	

Overall	Total	Percent
Overall APS Per Pupil	89.5	
Overall APS Per Entry	36.81	
Overall Avg Grade Per Entry	B-	
Overall VA	-0.43	
Overall VA Lower Confidence Limit	-0.58	
Overall VA Upper Confidence Limit	-0.29	
Students Included in Overall Value Added	88	
Overall Completion and Attainment	-	
Students Included in Overall Completion & Attainment	0	
Overall Students Retained	116	98.3
Students Included in Overall Retention	118	
Overall 1+ A*- B (or equivalent)	90	65.2
Overall 2+ A*- B (or equivalent)	55	39.9
Overall 3+ A*- B (or equivalent)	23	16.7
Overall 1+ A*- C (or equivalent)	104	75.4
Overall 2+ A*- C (or equivalent)	91	65.9
Overall 3+ A*- C (or equivalent)	68	49.3
Overall 1+ A*- E (or equivalent)	107	77.5
Overall 2+ A*- E (or equivalent)	106	76.8
Overall 3+ A*- E (or equivalent)	99	71.7

Going concern

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

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills 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 ESFA 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/ESFA 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	2019 £'000	2018 £'000
GAG	Restricted General Funds	40	(18)
Other DfE/ESFA Grants	Restricted General Funds	-	0
Other Income	Restricted General Funds	46	19
	Sub-total General Restricted Funds	**86**	**1**
Unspent Capital Grants	Restricted Fixed Asset Fund	1,830	277
Other Income	Unrestricted General Fund	76	0
	Sub-Total Spendable Funds	**1,992**	**278**
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	20,103	20,448
Salix Energy Loan	Restricted Fixed Asset Fund	(23)	(23)
Share of LGPS Deficit	Restricted Pension Reserve	(2,886)	(1,473)
	Total All Funds	**19,186**	**19,230**

During the year under review, there was a surplus / (deficit) of £85k (2018: £(72)k) on general restricted funds, a surplus / (deficit) of £76k (2018: £(263)k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus / (deficit) of £(44)k (2018: £(550)k).

Reserves policy

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

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

Investment policy and powers

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

Principal risks and uncertainties

The 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 and Skills 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 year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

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:

- ensure there is outstanding leadership & management at all levels that improves teaching, learning and assessment, behaviour, development and welfare and outcomes for all pupils.
- continue to raise standards and accelerating progress by improving teaching, learning and assessment to outstanding.
- continue to develop conditions for learning so that behaviour, development and welfare throughout the school is outstanding.
- continue to raise standards and accelerating progress so that outcomes for pupils, including groups, is outstanding.

We plan to implement the above objectives through our Raising Attainment Plan below.

PRIORITY 1: Effectiveness of Leadership and Management - Effective leadership & management at all levels improves student progress.

1.1 Develop a culture of leadership at all levels that focuses on progress and accountability in all areas of teaching & learning.
1.2 The process of appraisal ensures improved and consistently high outcomes (above the national expectations) and progress.
1.3 Recruitment and retention of high quality staff and Governors.
1.4 Reduce staffing cost of the school from 80% to 77-78%.
1.5 Safeguarding is effective.
1.6 To ensure that all stakeholders are aware of the latest developments in terms of the academy agenda.
1.7 Governors discharge statutory duties.
1.8 The school is financially viable moving forward.

PRIORITY 2: Impact of the quality of teaching, learning and assessment - Improving Teaching and Learning.

2.1 To consolidate a growth mindset culture at Blackfen.
2.2 To embed outstanding T&L strategies which develop a culture of growth mindset.
2.3 To promote assessment and feedback methods that lead to a growth mindset.
2.4 To review curriculum provision within the context of a high challenge, growth mindset school.

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

3.1 Students' attitudes to learning are exemplary.
3.2 Students' behaviour outside lessons is almost always impeccable.
3.3 Skilled and highly consistent behaviour management by all staff makes a strong contribution to an exceptionally positive climate for learning.
3.4 Improved emotional support for students exceptionally positive climate for learning.

PRIORITY 4: Impact of the quality of education on outcomes - Raising standards and accelerating progress.

4.1 To ensure all pupils meet or exceed their Key Stage Targets.
4.2 Closing the gap FSM, LAC, EAL, AEN, Y7 Catch-up, ethnic minorities, white British.

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 12th December 2019 and signed on its behalf by.

.....
Mr S J Fitz-Gerald
Appointed Governor / Chair of Governors

BLACKFEN SCHOOL FOR GIRLS

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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 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)	3	4
Mr S J Fitz-Gerald (Appointed Governor / Chair of Governors) *	4	4
Mrs C S Townsend (Appointed Governor / Vice Chair of Gov)*	2	4
Mr M Brown (Head Teacher & Accounting Officer) *	4	4
Mr T Perrin (Appointed Governor / Chair of Finance) *	4	4
Ms K Brewer (Elected Staff Governor)	3	4
Ms J Phelps (Appointed Governor / Vice Chair of Governors)	4	4
Mr H Petre (Elected Parent Governor) Removed 20/09/18	0	4
Mrs A Dhorajiwala (Elected Parent Governor)	1	4
Mr R Shaw (Elected Staff Governor)	1	4
Mr M Felton (Appointed Governor) Removed 20/09/18	0	4
Ms A Salter (Appointed Governor) Resigned 15/01/19	1	4
Mr L Thomas (Elected Parent Governor)*	3	4
Ms D Moore (Elected Parent Governor)	3	4
Mrs L Ashdown (Appointed Governor)	2	4
Mrs L Twiner (Elected Parent Governor)*	2	4

Governance reviews:

The trust intends to conduct its next self-evaluation review of governance on the 19th September 2019.

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

Governors	Meetings attended	Out of possible
Mr S J Fitz-Gerald (Appointed Governor/Chair of Governors)	6	7
Mrs C S Townsend (Appointed Governor)	5	7
Mr M Brown (Head Teacher & Accounting Officer)	7	7
Mr T Perrin (Appointed Governor/Chair of Finance)	7	7
Mr L Thomas (Elected Parent Governor)	6	7
Mrs L Twiner (Elected Parent Governor)	7	7

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 accounting officer, it is becoming more apparent that the continued increase in the staffing expenditure is having a huge impact on the budget. It is becoming more challenging to keep this budget within our means. 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 2018-2019. 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. A key focus has been to appoint teaching staff in science and we have a strategic plan for this. This has been a successful vehicle in ensuring a full complement of suitably trained science staff for the 2019-2020 academic year. We continue to invest in staff and staff training to ensure that staff have future career opportunities in the school which minimises staff turnover.

As accounting officer, I am fully aware of the need to be bearing down on costs and I acknowledge that forthcoming budgets will continue to be "flat" while costs increase. 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. Changes to our staffing structure will reflect this plan. Furthermore, we deal with vacancies, as they arise, by being creative and looking at the position and whether to replace like for like.

To further reduce costs, the leadership team was downsized in 2017-2018. There are now 9 members on the leadership team scale as opposed to 10 in 2016-2017 and 11 for 2015-2016.

2 IT support contract

The outsourcing of the IT support contract continues to provide good value and has saved a significant amount in staffing costs. An apprentice was appointed as part of this contract at no extra expense thereby adding considerable capacity to the team. A very competitive contract has been put in place for the next 3 years. The IT provision is a good improvement on our previous provision. We continue to ensure that it provides value for money.

3 Energy efficiencies

Although we have had new boilers installed as a result of money received through a CIF bid, it is too early to assess the impact these have had on energy conservation and cost saving. Our energy costs are higher than we would like. This is partly due to the contracts that we are tied to. These have been evaluated and will cease at the end of their contract time frame. We have continued to review our existing costs and investigate how we can be more energy efficient. We continue to look at options for improved lighting that will ensure that the school is conserving energy and, in turn, reducing costs.

4 Financial processes

The school has a budget cost reduction group led by the Business Manager. This has met to look at processes and to analyse areas to reduce costs. 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 and governors. The Business Manager has scrutinised all of our contracts and services. Some services have been renegotiated and this has saved money. We continue to look at ways to save money in this area.

5 Catering contract

The catering contract continues to provide good value for the school. The contract has provided improved dining and catering options for staff and students in the school. There has been some capital investment by the catering company. There has been significant investment in our 6th form cafeteria area. With increased uptake we are continue to see the benefits of the contract for the school. There will be a tendering process for a new contract at the end of 2019-2020.

6 Cleaning contract

The Business Manager worked with 6 other schools to tender for a new cleaning contract. The contract agreed has provided an improved cleaning provision in the school at very little additional cost to the school.

7 GDPR

The school has a one-year contract with a GDPR provider in partnership with the other Penhill Academies Trust schools. This has meant that this is outsourced rather than being a responsibility, hence a cost, in terms of salary of a member of staff. It has provided the school with good value for money and opportunities for training in this area.

8 Lettings

The school continues to let out facilities throughout the week and at weekends to maximise use and income. The governing body premises committee assesses the costs of maintaining the site and opening the site outside normal business hours. Lettings rates are very competitive in the local area and we have had to increase our charges on a stepped basis in order to continue to ensure value for money.

9 Students and educational outcomes

The last 2 years have seen considerable curriculum and specification changes with a massive overhaul of the examinations system – both nationally and in the school. The staff in the school have embraced these changes. 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 yet another successful year of raising aspirations and releasing potential at Blackfen School. At KS5 we have continued to invest in our curriculum opportunities for our young people and the number of applications for 6th form places was high again this year. Our KS5 results in 2019 were strong. We are ever mindful of the competition there is to ensure we have numbers of students in the school in both year 7 and the sixth form. With this in mind we have increased the published admission number for the school (225 in 2018 and 230 in 2019). This will continue to bring income to the school while not compromising educational standards.

10 Collaboration

There are now 5 members of the Penhill Academies Trust. The Trust includes 4 secondary schools and 1 primary school. We are looking to expand this further during the coming year with a particular focus on more primary partners. During 2018-2019 there was continued 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.

11 CIF bids

The school was successful in gaining a CIF bid in 2018-2019. The money (£1.8 million) is to replace outdated and outworn temporary teaching and learning accommodation with a new teaching and learning block. The work will enhance the opportunities in the school and, in the long run, will save costs as the new buildings will be more energy efficient and will not need huge and regular repair costs to keep them going.

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 year ended 31 August 2019 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 year ended 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular it includes:

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

The board of governors approved the continuation of the External Responsible Officer (RO).

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 3 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. Governors are satisfied that the role has been delivered effectively by the agent.

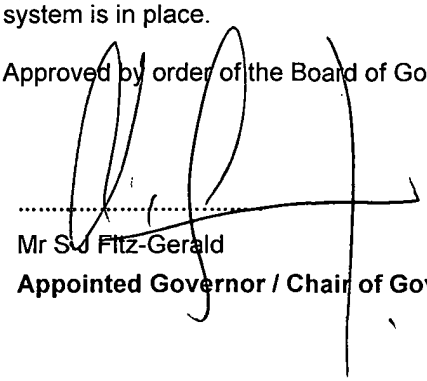
Review of effectiveness

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:

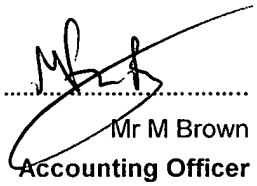
- the work of the responsible officer,
- the work of the external auditor;
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 12th December 2019 and signed on its behalf by:



Mr S J Fitz-Gerald
Appointed Governor / Chair of Governors



Mr M Brown
Accounting Officer

BLACKFEN SCHOOL FOR GIRLS

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Blackfen School for Girls I have considered my responsibility to notify the Academy Trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2018.

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 2018.

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 ESFA.

Mr M Brown
Accounting Officer

12 December 2019

BLACKFEN SCHOOL FOR GIRLS

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 Financial Statements; and
- prepare the Financial Statements 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 Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Governors on 12 December 2019 and signed on its behalf by:

Mr S J Fitz-Gerald
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKFEN SCHOOL FOR GIRLS

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the Financial Statements of Blackfen School for Girls for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Attention is drawn to the disclosure within note 25 regarding the academy's status as a going concern. These disclosures indicate that a material uncertainty exists which may cast significant doubt on the academy's ability to continue as a going concern. In forming our opinion above, which is not modified, we have considered the adequacy of those disclosures.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Governors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Governors' Report including the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated Strategic Report.

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

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: 13 December 2019

BLACKFEN SCHOOL FOR GIRLS

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 15 October 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA 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 ESFA 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 Blackfen School for Girls and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Blackfen School for Girl's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Blackfen School for Girl's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. 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;
- Review of some key financial control procedures;
- 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 Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Dated: 13 December 2019

BLACKFEN SCHOOL FOR GIRLS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	**4**	3	-	1,920	1,923	29
Charitable activities:						
- Funding for educational operations	**5**	140	7,805	-	7,945	7,583
Other trading activities	**6**	40	-	-	40	39
Total		183	7,805	1,920	9,908	7,651
Expenditure on:						
Charitable activities:						
- Educational operations	**8**	107	8,090	646	8,843	8,809
Total	**7**	107	8,090	646	8,843	8,809
Net income/(expenditure)		76	(285)	1,274	1,065	(1,158)
Transfers between funds	**16**	-	66	(66)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	**18**	-	(1,109)	-	(1,109)	608
Net movement in funds		76	(1,328)	1,208	(44)	(550)
Reconciliation of funds						
Total funds brought forward		-	(1,472)	20,702	19,230	19,780
Total funds carried forward		76	(2,800)	21,910	19,186	19,230

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

SUPPLEMENTARY NOTE:
COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	4	1	-	28	29
Charitable activities:					
- Funding for educational operations	5	54	7,529	-	7,583
Other trading activities	6	39	-	-	39
Total		94	7,529	28	7,651
Expenditure on:					
Charitable activities:					
- Educational operations	8	17	8,158	634	8,809
Total	7	17	8,158	634	8,809
Net income/(expenditure)		77	(629)	(606)	(1,158)
Transfers between funds	16	(340)	396	(56)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	608	-	608
Net movement in funds		(263)	375	(662)	(550)
Reconciliation of funds					
Total funds brought forward		263	(1,847)	21,364	19,780
Total funds carried forward		-	(1,472)	20,702	19,230

BLACKFEN SCHOOL FOR GIRLS

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	12		20,103		20,448
Current assets					
Debtors	13	1,854		173	
Cash at bank and in hand		635		507	
		2,489		680	
Current liabilities					
Creditors: amounts falling due within one year	14	(520)		(425)	
Net current assets			1,969		255
Net assets excluding pension liability			22,072		20,703
Defined benefit pension scheme liability	18		(2,886)		(1,473)
Total net assets			19,186		19,230
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			21,910		20,702
- Restricted income funds			86		1
- Pension reserve			(2,886)		(1,473)
Total restricted funds			19,110		19,230
Unrestricted income funds	16		76		-
Total funds			19,186		19,230

The Financial Statements on pages 24 to 47 were approved by the Governors and authorised for issue on 12 December 2019 and are signed on their behalf by:

Mr S J Fitz-Gerald
Chair of Governors

Company Number 07974098

BLACKFEN SCHOOL FOR GIRLS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Cash flows from operating activities					
Net cash used in operating activities	19		(1,491)		(101)
Cash flows from investing activities					
Capital grants from DfE Group		1,770		28	
Capital funding received from sponsors and others		150		-	
Purchase of tangible fixed assets		(301)		(98)	
Net cash provided by/(used in) investing activities			1,619		(70)
Net increase/(decrease) in cash and cash equivalents in the reporting period			128		(171)
Cash and cash equivalents at beginning of the year			507		678
Cash and cash equivalents at end of the year			635		507

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Blackfen School for Girls meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. As described in note 26, the Governors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

1 Accounting policies

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the Financial Statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

1 Accounting policies

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% - 5% Straight Line
Furniture and equipment	20% Straight Line
Computer equipment	33.33% Straight Line

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 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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.

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 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 Department for Education Group.

1.12 Agency Arrangement

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Blackfen School for Girls meets the definition of a public benefit entity under FRS 102.

2 Critical accounting estimates and areas of judgement

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

2 Critical accounting estimates and areas of judgement

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2019 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 2019.

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	1,920	1,920	28
Other donations	3	-	3	1
	3	1,920	1,923	29

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	7,008	7,008	6,791
Other DfE group grants	-	322	322	251
	-	7,330	7,330	7,042
Other government grants				
SEN	-	105	105	54
Other LA Grants	-	119	119	76
	-	224	224	130
Other funding				
Catering Income	122	-	122	104
Voluntary Funds	-	247	247	250
Other incoming resources	18	4	22	57
	140	251	391	411
Total funding	140	7,805	7,945	7,583

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	40	-	40	39

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Non Pay Expenditure Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	5,426	517	583	6,526	6,640
- Allocated support costs	1,073	705	539	2,317	2,169
	6,499	1,222	1,122	8,843	8,809

7 Expenditure

Net income/(expenditure) for the year includes:	**2019**	**2018**
	£'000	**£'000**
Fees payable to auditor for:		
- Audit	8	8
- Other services	22	22
Operating lease rentals	45	33
Depreciation of tangible fixed assets	646	634
Net interest on defined benefit pension liability	38	42

Included within expenditure are the following transactions:

	2019
	£
Gifts made by the Academy Trust - total	160

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts and unrecoverable debts are not. The value of gifts for the year is £160 (and not £160k).

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	-	6,526	6,526	6,640
Support costs				
Educational operations	107	2,210	2,317	2,169
	107	8,736	8,843	8,809

Analysis of costs	2019 £'000	2018 £'000
Direct costs		
Teaching and educational support staff costs	5,426	5,499
Staff development	20	27
Depreciation	517	508
Educational supplies and services	110	139
Examination fees	160	160
Educational consultancy	72	51
Other direct costs	221	256
	6,526	6,640
Support costs		
Support staff costs	807	799
Defined benefit pension scheme - staff costs (FRS102 adjustment)	266	119
Depreciation	129	126
Technology costs	168	170
Maintenance of premises and equipment	197	196
Cleaning	122	118
Energy costs	124	140
Rent, rates and other occupancy costs	91	75
Insurance	42	41
Security and transport	1	3
Catering	135	126
Defined benefit pension scheme - finance costs (FRS102 adjustment)	38	42
Other support costs	163	173
Governance costs	34	41
	2,317	2,169

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	4,752	4,769
Social security costs	450	422
Pension costs	816	747
Defined benefit pension scheme - staff costs (FRS102 adjustment)	266	119
Amounts paid to employees	6,284	6,057
Agency staff costs	215	315
Amounts paid to staff	6,499	6,372
Other staff costs	-	45
Total staff expenditure	6,499	6,417

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2019 Number	2018 Number
Teachers	82	78
Administration and support	69	70
Management	9	9
	160	157

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	73	72
Administration and support	60	60
Management	9	9
	142	141

9 Staff

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,000 - £70,000	5	6
£70,001 - £80,000	3	3
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £921,187 (2018: £998,471).

10 Governors' remuneration and expenses

One or more of the 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.

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

Mr M Brown (Head Teacher):

- Remuneration: £110,000 - £115,000 (2018: £105,000 - £110,000)
- Employer's pension contributions: £15,000 - £20,000 (2018: £15,000 - £20,000)

Ms K Brewer (elected Staff Governor):

- Remuneration: £65,000 - £70,000 (2018: £60,000 - £65,000)
- Employer's pension contributions: £10,000 - £15,000 (2018: £10,000 - £15,000)

Mr R Shaw (elected Staff Governor):

- Remuneration; £45,000 - £50,000 (2018: £45,000 - £50,000)
- Employer's pension contributions: £5,000 - £10,000 (2018: £5,000 - £10,000)

During the year, expenses totalling £597 (2018: £345) were reimbursed or paid directly to 5 Governors (2018: 3 Governor) 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.

11 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was included within the total insurance cost at £317.

12 Tangible fixed assets

	Leasehold land and buildings	Furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2018	24,376	92	102	24,570
Additions	293	8	-	301
At 31 August 2019	24,669	100	102	24,871
Depreciation				
At 1 September 2018	3,940	87	95	4,122
Charge for the year	639	4	3	646
At 31 August 2019	4,579	91	98	4,768
Net book value				
At 31 August 2019	20,090	9	4	20,103
At 31 August 2018	20,436	5	7	20,448

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

13 Debtors

	2019	2018
	£'000	£'000
Trade debtors	12	4
VAT recoverable	26	42
Other debtors	7	-
Prepayments and accrued income	1,809	127
	1,854	173

14 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Loans	23	23
Trade creditors	61	35
Other taxation and social security	125	123
ESFA creditors	23	21
Other creditors	101	100
Accruals and deferred income	187	123
	520	425

15 Deferred income

	2019 £'000	2018 £'000
Deferred income is included within:		
Creditors due within one year	124	94
Deferred income at 1 September 2018	94	95
Released from previous years	(94)	(95)
Resources deferred in the year	124	94
Deferred income at 31 August 2019	124	94

Deferred income of £124k (2018: £94k) consists of £89k (2018: £88k) of trip income, £27k (2018: £nil) of Devolved Formula Capital funding and £8k (2018: £6k) of other grant funding.

16 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	(18)	7,008	(6,950)	-	40
Other DfE / ESFA grants	-	142	(142)	-	-
Pupil premium	-	180	(180)	-	-
Other government grants	-	224	(224)	-	-
Other restricted funds	19	251	(290)	66	46
Pension reserve	(1,473)	-	(304)	(1,109)	(2,886)
	(1,472)	7,805	(8,090)	(1,043)	(2,800)
Restricted fixed asset funds					
Inherited on conversion	19,818	-	(600)	-	19,218
DfE group capital grants	899	1,920	(43)	(66)	2,710
Capital expenditure from GAG and other funds	(15)	-	(3)	-	(18)
	20,702	1,920	(646)	(66)	21,910
Total restricted funds	19,230	9,725	(8,736)	(1,109)	19,110
Unrestricted funds					
General funds	-	183	(107)	-	76
Total funds	19,230	9,908	(8,843)	(1,109)	19,186

16 Funds

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 2019. Note 3 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.

16 Funds

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,791	(7,223)	414	(18)
Other DfE / ESFA grants	-	71	(71)	-	-
Pupil premium	30	180	(210)	-	-
Other government grants	-	130	(130)	-	-
Other restricted funds	43	357	(363)	(18)	19
Pension reserve	(1,920)	-	(161)	608	(1,473)
	(1,847)	7,529	(8,158)	1,004	(1,472)
Restricted fixed asset funds					
Transfer on conversion	20,418	-	(600)	-	19,818
DfE group capital grants	969	28	(32)	(66)	899
Capital expenditure from GAG and other funds	(23)	-	(2)	10	(15)
	21,364	28	(634)	(56)	20,702
Total restricted funds	19,517	7,557	(8,792)	948	19,230
Unrestricted funds					
General funds	263	94	(17)	(340)	-
Total funds	19,780	7,651	(8,809)	608	19,230

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	20,103	20,103
Current assets	76	583	1,830	2,489
Creditors falling due within one year	-	(497)	(23)	(520)
Defined benefit pension liability	-	(2,886)	-	(2,886)
Total net assets	76	(2,800)	21,910	19,186

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	20,448	20,448
Current assets	-	403	277	680
Creditors falling due within one year	-	(402)	(23)	(425)
Defined benefit pension liability	-	(1,473)	-	(1,473)
Total net assets	-	(1,472)	20,702	19,230

18 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £101k (2018: £100k) were payable to the schemes at 31 August 2019 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' 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

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 2016 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 5 March 2019.

18 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay; and
- the assumed real rate of return is 2.4% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Scheme Changes
In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £587k (2018: £572k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.48% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	**2019**	**2018**
	£'000	**£'000**
Employer's contributions	229	244
Employees' contributions	61	61
Total contributions	290	305

18 Pension and similar obligations

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Rate of CPI Inflation	2.10	2.10

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

	2019 Years	2018 Years
Retiring today		
- Males	23.20	23.10
- Females	26.20	26.10
Retiring in 20 years		
- Males	25.40	25.30
- Females	28.50	28.40

Sensitivity Analysis

Scheme liabilities have been measured at £7,188k. They would have been measured at the amounts listed below in the event that assumptions changed as indicated:

	2019	2018
Discount rate + 0.1%	7,035	5,071
Mortality assumption + 1 year	7,320	5,277
CPI rate + 0.1%	7,345	5,294
Pay growth + 0.1%	7,214	5,202

Defined benefit pension scheme net liability

Scheme assets	4,302	3,708
Scheme obligations	(7,188)	(5,181)
Net liability	(2,886)	(1,473)

18 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	**2019 Fair value £'000**	**2018 Fair value £'000**
Equities	1,993	1,509
Government Bonds	460	523
Other Bonds	486	182
Cash/Liquidity	90	4
Property	430	415
Other assets	843	1,075
Total market value of assets	4,302	3,708

The actual return on scheme assets was £350,000 (2018: £146,000).

Amount recognised in the Statement of Financial Activities	**2019 £'000**	**2018 £'000**
Current service cost	324	363
Past service cost	171	-
Interest income	(107)	(83)
Interest cost	145	125
Total operating charge	533	405

Changes in the present value of defined benefit obligations	**2019 £'000**
At 1 September 2018	5,181
Current service cost	315
Interest cost	145
Employee contributions	61
Actuarial loss/(gain)	1,361
Benefits paid	(46)
Past service cost	171
At 31 August 2019	7,188

18 Pension and similar obligations

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000
At 1 September 2018	3,708
Interest income	98
Actuarial gain	252
Employer contributions	229
Employee contributions	61
Benefits paid	(46)
At 31 August 2019	4,302

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,065	(1,158)
Adjusted for:		
Capital grants from DfE and other capital income	(1,920)	(28)
Defined benefit pension costs less contributions payable	266	119
Defined benefit pension scheme finance cost	38	42
Depreciation of tangible fixed assets	646	634
(Increase)/decrease in debtors	(1,681)	339
Increase/(decrease) in creditors	95	(49)
Net cash used in operating activities	(1,491)	(101)

20 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	40	26
Amounts due in two and five years	26	31
	66	57

21 Capital commitments

	2019 £'000	2018 £'000
Expenditure contracted for but not provided in the Financial Statements	1,851	273

At 31 August 2019, the academy was committed to the completion of the following capital projects:

- Replacement teaching accommodation. Project costs are expected to be £1,856k, with £92k costs incurred to date, with estimated future costs of £1,764k.
- Main Block Boiler/Plant Room. Project costs are expected to be £367k, with £283k costs incurred to date, with estimated future costs of £84k.
- Technology Boiler and Maths Boiler. Project costs are expected to be £201k, with £198k costs incurred to date, with estimated future costs of £3k.

22 Related party transactions

No related party transactions took place in the period of account other than certain Governors' remuneration and expenses already disclosed in note 10.

23 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.

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust had unspent bursary funding brought forward of £20,648, received £22,148 (2018: £21,942) and disbursed £17,602 (2018: £16,617) from the fund. An administration charge of £2,204 (2018: £nil) was made leaving an amount of £22,990 (2018: £20,648) included within creditors: amounts falling due in less than one year, relating to undistributed funds that are repayable to the ESFA.

25 Going concern

The governors are pleased to note the improvement in the financial position at 31 August 2019 compared with the previous year. Governors have adopted the going concern basis of accounting in respect of these accounts. This assumes that the academy will be able to continue to operate for a period of at least one year from the date of approval of the accounts. The governors are fully aware of the in-year deficits that are forecast for the next three years. Governors are confident that their programme of cost control can be continued over the coming years to ensure that the academy can continue to operate. Governors are also confident that, in the short term, accumulated reserves and cash flow can be managed to ensure that the academy can continue to meet its obligations as they fall due.