
BAYLIS COURT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

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BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

Governors	Date appointed as Director
Mrs M Ball, Headteacher	
Mrs S Ali	01/08/2011
Mrs N Ashraf	01/08/2011
Mrs S Bate	01/08/2011
Dr H Dias	01/08/2011
Mrs R Followell	01/08/2011
Mrs V Mayer	01/08/2011
Mrs D Morris, Vice Chair	08/06/2011
Mrs C Parkes	01/08/2011
Mr J M Reekie, Chairman	08/06/2011
Mrs A Silvester	01/08/2011

Company registered number

07662414

Registered office

Gloucester Avenue, Slough, Berkshire, SL1 3AH

Company secretary

Mrs Lisa James

Chief executive officer

Mrs Maureen Ball

Auditors

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

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

BAYLIS COURT SCHOOL
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

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

Structure, governance and management

a CONSTITUTION

The 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 act as the trustees for the charitable activities of Baylis Court School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Baylis Court School. Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The academy is constituted under a Memorandum of Association dated 8 June 2011.

b. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The management of the academy is the responsibility of the governors who are elected and co-opted under the terms of the Articles of Association which allows for not less than 3 and are not subjected to a maximum but the current limit agreed by the Trust is 11 governors with appointments as follows:

- 3 Parent governors are elected by a ballot of parents of registered pupils in the school
- The Headteacher is an ex-officio governor
- 5 Community governors appointed by the governing body
- 2 Staff governors appointed by the governing body
- Co-opted, additional and further governors may be appointed by the governing body but there are none at present in this role

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

The majority of the governors have many years' experience of school governance and all except one served on the Foundation School governing body prior to achieving Academy Status. New governors are required to attend an induction training course. Further training and development is identified in relation to whole Governing Body needs.

A matrix is maintained of required knowledge/skills to match the school's needs, those already covered by governors and notes of possible training.

d. ORGANISATIONAL STRUCTURE

The Headteacher is the Principal Accounting Officer. A document headed 'Delegated Powers' was approved by the governing body on 12/12 and this specifies where responsibility for major decisions lies. Levels of delegation are:

Level 1 Full governing body

Level 2 A committee of the governing body

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

Level 3 An individual governor
Level 4 Headteacher

The Terms of Reference for each committee approved by the governing body set out the extent to which they are able to operate and minutes of their meetings are circulated to all governors at full governing body meetings

e CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As part of our submission for academy status we said that we would establish links with Godolphin Primary School. The major impact of that link has been through the work of Baylis Court School as a former specialist school in arts and drama. This work will continue but other activities are being explored, especially to assist with transition issues.

f RISK MANAGEMENT

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A risk register has been completed and all issues identified as above "low" risk have been reviewed in detail and, where necessary, appropriate responsibilities, monitoring and procedures have been agreed. The academy has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

g GOVERNORS' INDEMNITIES

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

h PRINCIPAL ACTIVITIES

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular by maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. It fulfils this by providing education for female pupils aged 11 to 16 and male and female students from 16 to 19 across Slough.

Objectives and Activities

a. OBJECTS AND AIMS

The academy has the object and aim to be the first choice school for girls in Slough and to extend the educational opportunities for girls that come to this school.

b OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the coming year are -

GCSE targets

97 Pupils 5 A* - C including English and Mathematics

67 % 5 A* - C including English and Mathematics

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

100% 5 A* - G including English and Mathematics
Average Total Point Score 416
Average Capped Eight 334

Sixth Form -

53% A2 – A*-B
100% A2 – A* - E

23 4 % AS - A- B
100% AS – A - E

Attendance -
96%

Teaching -

80% Good or better

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Additional classrooms are needed for English and work is under way to draw up plans for an extension to the Arts Block

Links with other schools are being explored to broaden the educational opportunities for Baylis girls and to share some of the good practice at Baylis Court School with local primary and secondary schools

d PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. In this regard, we run a outside of the normal school day opportunities for our pupils getting ready for examinations. The Headteacher is actively involved in the Slough Association of Secondary Heads (SASH) which brings together all Headteachers in Slough (both selective and non-selective) who work to benefit education across Slough. Through this organisation a Slough learning Partnership has been set up with full time staff to assist the work of SASH. The Headteacher is also an active member of the Berkshire Association of Secondary Heads (BASH) and this extends the sharing of best practice over a wider area than Slough.

Achievements and performance

a GOING CONCERN

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

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

b REVIEW OF ACTIVITIES

Results on August 2012 showed GCSE 5A*-C including English and mathematics 61.9% (7.5% above Yellis),
81% 5A*-C, 99.3% 5A*-G

AS results showed 84.4% Pass Rate
With 23.5% achieving A – B Grades
11.0% of students achieved 3 AS Levels A-B (5.5% Above Alis Target)

A2 results showed 100% pass rate A* - E with students achieving 3 A – Levels A* - E
8.6% of Students achieved 3 A- levels A* - B (5.7% Above Alis targets)
34.3% of Students achieved 2 A-Levels A*-B (22.9% Above Alis Targets)

In addition to reports on specific issues of achievement and performance at Governor's Committee meetings, the full Governing Body receives a comprehensive report from the Headteacher at its termly meeting. The Chair of Governors meets frequently with the Headteacher to review progress on key objectives, comment and challenge on current developments and discuss strategy.

c INVESTMENT POLICY AND PERFORMANCE

Funds surplus to day to day requirements are invested in Lloyds Bank Plc in short term or medium terms accounts in order to earn interest for the benefit of school funds. There are no social, environmental or ethical considerations necessary to take into account.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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

On 17 August 2011 the academy inherited a staff body through the TUPE process. This staff body included membership of the Local Government Pension Scheme (LGPS), and the deficit on conversion at 1 August 2011 of £587,000 relating to members was transferred.

Under the Charities SORP, it is necessary to charge projected deficits on the LGPS, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem, the employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

b PRINCIPAL RISKS AND UNCERTAINTIES

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

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

c. RESERVES POLICY

Reserves of £14,601,011 are held as at 31 August 2012. The school has insufficient accommodation for its growing numbers and is now embarking on a program to extend its building stock. The estimated cost of the initial extension is £900,000. This extension is proposed to be built during the financial year 2012/13. In addition facilities for the provision of gym are inadequate and reserve funds need to be provided to supplement grants that will be sought in the future. The governors will keep the level of reserves under review.

FUNDS HELD AS CUSTODIAN

There are no funds held on behalf of other organisation including charities.

PROVISION OF INFORMATION TO AUDITORS

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

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

This report was approved by order of the members of the governing body on 28 November 2012 and signed on its behalf by



Mr J Reekie
Chairman

BAYLIS COURT SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Baylis Court School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Principal, 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 Baylis Court School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Ball, Headteacher	2	3
Mrs S Ali	3	3
Mrs N Ashraf	4	4
Mrs S Bate	3	4
Dr H Dias	3	4
Mrs R Followell	4	4
Mrs V Mayer	4	4
Mrs D Morris, Vice Chair	2	4
Mrs C Parkes	3	4
Mr J M Reekie, Chairman	4	4
Mrs A Silvester	4	4

The **Finance and Staffing Committee** is a sub-committee of the main governing body. Its purpose is to make sure that the academy is following the EFA's financial regulations.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Ball	4	4
Mrs R Followell	4	4
Mrs V Mayer	4	4
Mr D Morris	3	4
Mr J Reekie	4	4

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Baylis Court School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

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

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

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

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework

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GOVERNANCE STATEMENT (continued)

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 Staffing Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

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


Mr J Reekie
Chairman

Mrs D A Jose
Headteacher



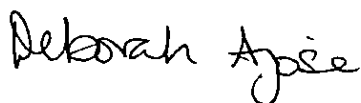
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting officer of Baylis Court School I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mrs D Ajose
Accounting officer

BAYLIS COURT SCHOOL
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

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

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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

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

Approved by order of the members of the governing body on 28 November 2012 and signed on its behalf by



Mr J Reekie
Chairman

BAYLIS COURT SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAYLIS COURT SCHOOL

We have audited the financial statements of Baylis Court School for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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



BAYLIS COURT SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAYLIS COURT SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

M B Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

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

BAYLIS COURT SCHOOL
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**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO BAYLIS COURT SCHOOL AND
THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Baylis Court School during the period 1 August 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Baylis Court School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Baylis Court School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Baylis Court School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BAYLIS COURT SCHOOL'S ACCOUNTING OFFICER AND THE AUDITORS

The Accounting officer is responsible, under the requirements of Baylis Court School's funding agreement with the Secretary of State for Education dated 29 July 2012, and the Academies Financial Handbook as published by DfES in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO BAYLIS COURT SCHOOL AND
THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

28 November 2012

BAYLIS COURT SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income	3	382,576	14,385,463	14,768,039
Incoming resources from charitable activities	4	6,248,834	-	6,248,834
TOTAL INCOMING RESOURCES		6,631,410	14,385,463	21,016,873
RESOURCES EXPENDED				
Charitable activities	9	6,192,091	57,446	6,249,537
Governance costs	5	7,325	-	7,325
TOTAL RESOURCES EXPENDED	8	6,199,416	57,446	6,256,862
NET INCOME BEFORE TRANSFERS		431,994	14,328,017	14,760,011
Transfers between Funds	18	(190,358)	190,358	-
NET INCOME FOR THE YEAR		241,636	14,518,375	14,760,011
Actuarial gains and losses on defined benefit pension schemes		(159,000)	-	(159,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		82,636	14,518,375	14,601,011
<i>Total funds at 1 August 2011</i>		-	-	-
TOTAL FUNDS AT 31 AUGUST 2012		82,636	14,518,375	14,601,011

All activities relate to continuing operations

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

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

The notes on pages 19 to 36 form part of these financial statements

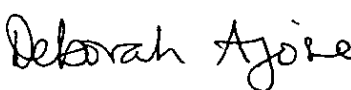
BAYLIS COURT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07662414

BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £
FIXED ASSETS			
Tangible assets	14		14,518,375
CURRENT ASSETS			
Stocks	15	2,520	
Debtors	16	60,295	
Cash at bank and in hand		1,185,040	
		<u>1,247,855</u>	
CREDITORS amounts falling due within one year	17	(369,219)	
NET CURRENT ASSETS			<u>878,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,397,011</u>
Defined benefit pension scheme liability	23		(796,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>14,601,011</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	18	878,636	
Restricted fixed asset funds	18	14,518,375	
		<u>15,397,011</u>	
Restricted funds excluding pension liability			
Pension reserve		(796,000)	
Total restricted funds			<u><u>14,601,011</u></u>
TOTAL FUNDS			<u><u>14,601,011</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 28 November 2012 and are signed on their behalf, by


Mr J M Reekie
Chairman


Mrs D A Jose
Headteacher

The notes on pages 19 to 36 form part of these financial statements

BAYLIS COURT SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	2012 £
Net cash flow from operating activities	20	405,822
Capital expenditure		(190,358)
Cash on conversion to academy		969,576
INCREASE IN CASH IN THE PERIOD		1,185,040

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2012

	2012 £
Increase in cash in the period	1,185,040
MOVEMENT IN NET FUNDS IN THE PERIOD	1,185,040
NET FUNDS AT 31 AUGUST 2012	1,185,040

The notes on pages 19 to 36 form part of these financial statements

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

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

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

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

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

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

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

1 ACCOUNTING POLICIES (continued).

1.4 Incoming resources

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt.

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

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

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

1.5 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

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

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

A review for impairment of 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- Nil
Motor vehicles	- 33% straight-line basis
Fixtures and fittings	- 50% straight-line basis
Computer equipment	- 50% straight-line basis

1.8 Stocks

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

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

BAYLIS COURT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1 10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2 GENERAL ANNUAL GRANT (GAG)

	2012 £
Result and Carry Forward for the Year	
GAG Allocation for current year	5,799,575
Total GAG Available to spend	<u>5,799,575</u>
Recurrent expenditure from GAG	(5,609,217)
Fixed assets purchased from GAG	<u>(190,358)</u>
GAG Carried forward to next year	-
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	<u>(695,949)</u>
GAG to surrender to DfE	<u>(695,949)</u>
(12% rule breached if result is positive)	<u>No breach</u>

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

3. VOLUNTARY INCOME

	Restricted funds 2012 £	Total funds 2012 £
Transferred from predecessor school	14,768,039	14,768,039

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2012 £	Total funds 2012 £
Educational Operations	6,248,834	6,248,834

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant		
General Annual Grant	5,799,575	5,799,575
SEN	68,839	68,839
Pupil Premium	61,517	61,517
Insurance Claim	10,077	10,077
Other Government Grants	118,201	118,201
	<u>6,058,209</u>	<u>6,058,209</u>

Other funding

Other Income	38,941	38,941
Catering Income	89,391	89,391
Trips Income	47,832	47,832
Bank Interest	3,992	3,992
Miscellaneous income	10,469	10,469
	<u>190,625</u>	<u>190,625</u>
	<u>6,248,834</u>	<u>6,248,834</u>

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

5 GOVERNANCE COSTS

	Restricted funds 2012 £	Total funds 2012 £
Governance Auditors' remuneration	7,325	7,325

6 DIRECT COSTS

	Educational Operations £	Total 2012 £
Pension finance costs	32,000	32,000
Educational supplies	200,886	200,886
Supply Agency Costs	85,056	85,056
Maintenance of premises	247,097	247,097
Staff development	18,278	18,278
Repairs & maintenance	99,761	99,761
Insurance	14,748	14,748
ICT Curriculum	60,357	60,357
Other expenses	18,191	18,191
Wages and salaries	3,208,478	3,208,478
National insurance	265,504	265,504
Pension cost	403,172	403,172
	<u>4,653,528</u>	<u>4,653,528</u>

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

7 SUPPORT COSTS

	Educational Operations £	Total 2012 £
Educational supplies	81,477	81,477
Supply Agency Costs	25,489	25,489
Advertising & Recruitment	26,936	26,936
Maintenance of premises	5,653	5,653
Staff development	4,993	4,993
Repairs & maintenance	103,555	103,555
Insurance	11,102	11,102
ICT Admin	88,693	88,693
Catering supplies	88,780	88,780
Water & Rates	7,836	7,836
Gas & Electricity	78,563	78,563
School trips	61,423	61,423
Legal & professional	32,470	32,470
Cleaning	14,755	14,755
Telephone	10,814	10,814
Security & transport	4,765	4,765
Other expenses	30,645	30,645
Bank charges	298	298
Wages and salaries	727,888	727,888
National insurance	45,256	45,256
Pension	87,172	87,172
Depreciation	57,446	57,446
	<u>1,596,009</u>	<u>1,596,009</u>

8 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Educational Operations	4,737,470	57,446	1,454,621	6,249,537
Governance	-	-	7,325	7,325
	<u>4,737,470</u>	<u>57,446</u>	<u>1,461,946</u>	<u>6,256,862</u>

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

9 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Educational Operations	<u>4,653,528</u>	<u>1,596,009</u>	<u>6,249,537</u>

10. NET INCOME

This is stated after charging

	2012 £
Depreciation of tangible fixed assets - owned by the charity	57,446
Auditors' remuneration	7,325
Governance Internal audit costs	<u>-</u>

During the period, no Governors received any benefits in kind

During the period, no Governors received any reimbursement of expenses

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

	2012 £
M Ball - Governor and Trustee	145,000 – 150,000
A Silvester - Governor and Trustee	10,000 – 15,000
S Bate - Governor and Trustee	40,000 – 45,000

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

11 STAFF COSTS

Staff costs were as follows

	2012 £
Wages and salaries	3,936,366
Social security costs	310,760
Other pension costs (Note 23)	490,344
	<u>4,737,470</u>

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

	2012 No
Teachers	59
Teaching assistants	13
Admin	12
Management	11
	<u>95</u>

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

	2012 No.
In the band £70,001 - £80,000	1
In the band £100,001 - £200,000	1
	<u>2</u>

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2012 was £2,266

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

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

13. PENSION FINANCE COSTS

	2012 £
Expected return on pension scheme assets	26,000
Interest on pension scheme liabilities	(58,000)
	<u>(32,000)</u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost				
At 1 August 2011	-	-	-	-
Additions including transfers on conversion	14,385,463	19,828	93,758	76,772
At 31 August 2012	<u>14,385,463</u>	<u>19,828</u>	<u>93,758</u>	<u>76,772</u>
Depreciation				
At 1 August 2011	-	-	-	-
Charge for the period	-	3,341	40,558	13,547
At 31 August 2012	<u>-</u>	<u>3,341</u>	<u>40,558</u>	<u>13,547</u>
Net book value				
At 31 August 2012	<u>14,385,463</u>	<u>16,487</u>	<u>53,200</u>	<u>63,225</u>

	Total £
Cost	
At 1 August 2011	-
Additions including transfers on conversion	14,575,821
At 31 August 2012	<u>14,575,821</u>
Depreciation	
At 1 August 2011	-
Charge for the period	57,446
At 31 August 2012	<u>57,446</u>
Net book value	
At 31 August 2012	<u>14,518,375</u>

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

15. STOCKS

	2012 £
Finished goods and goods for resale	2,520

16. DEBTORS

	2012 £
Other debtors	60,295

17. CREDITORS.

Amounts falling due within one year

	2012 £
Trade creditors	147,745
Social security and other taxes	82,825
Other creditors	58,366
Accruals and deferred income	80,283
	<u>369,219</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds						
Restricted Funds - all funds	-	7,218,410	(6,149,416)	(190,358)	-	878,636
Pension reserve	-	(587,000)	(50,000)	-	(159,000)	(796,000)
	<u>-</u>	<u>6,631,410</u>	<u>(6,199,416)</u>	<u>(190,358)</u>	<u>(159,000)</u>	<u>82,636</u>

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

18 STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	-	14,385,463	(57,446)	190,358	-	14,518,375
Total restricted funds	-	21,016,873	(6,256,862)	-	(159,000)	14,601,011
Total of funds	-	21,016,873	(6,256,862)	-	(159,000)	14,601,011

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds	-	6,631,410	(6,199,416)	(190,358)	(159,000)	82,636
Restricted fixed asset funds	-	14,385,463	(57,446)	190,358	-	14,518,375

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	14,518,375	14,518,375
Current assets	1,247,855	-	1,247,855
Creditors due within one year	(369,219)	-	(369,219)
Provisions for liabilities and charges	(796,000)	-	(796,000)
	82,636	14,518,375	14,601,011

BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

20 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £
Net incoming resources before revaluations	14,760,011
Depreciation of tangible fixed assets	57,446
Increase in stocks	(2,520)
Increase in debtors	(60,295)
Increase in creditors	369,219
Assets gifted from predecessor school	(14,768,039)
Pension costs	50,000
Net cash inflow from operations	405,822

21 ANALYSIS OF CHANGES IN NET DEBT

	1 August 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	-	1,185,040	-	1,185,040
Net funds	-	1,185,040	-	1,185,040

22 CONVERSION TO AN ACADEMY TRUST

On 01 August 2011 Baylis Court School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Baylis Court School from Slough Borough Council for £NIL consideration

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

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

22. CONVERSION TO AN ACADEMY TRUST (continued)

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
- Freehold/leasehold land and buildings	-	14,385,463	14,385,463
LGPS pension surplus/(deficit)	(587,000)	-	(587,000)
Other identified assets and liabilities	969,576	-	969,576
Net assets/(liabilities)	<u>382,576</u>	<u>14,385,463</u>	<u>14,768,039</u>

The above net assets/liabilities include £ that were transferred as cash

23 PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal County of Berkshire Fund Both are defined benefit schemes

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2012

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

Teachers' Pension Scheme

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

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

BAYLIS COURT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

23. PENSION COMMITMENTS (continued)

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

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

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

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

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

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

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

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

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

23 PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £174,000, of which employer's contributions totalled £129,000. The agreed contribution rate for future years are 17.8% for employers and 5.5 - 7.5% for employees.

The amounts recognised in the Balance sheet are as follows

	2012 £
Present value of funded obligations	(1,337,000)
Fair value of scheme assets	541,000
Net liability	(796,000)

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

	2012 £
Interest on obligation	(58,000)
Expected return on scheme assets	26,000
Current service cost	(147,000)
Total	(179,000)
Actual return on scheme assets	18,000

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

	2012 £
Interest cost	58,000
Contributions by scheme participants	45,000
Actuarial Losses	150,000
Estimated benefit paid	(1,000)
Current service cost	147,000
Opening defined benefit obligations	938,000
Closing defined benefit obligation	1,337,000

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

23 PENSION COMMITMENTS (continued)

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

	2012 £
Expected return on assets	26,000
Actuarial losses	(9,000)
Contributions by employer	129,000
Contributions by employees	45,000
Estimated benefits paid	(1,000)
Opening fair value of Scheme assets	351,000
	<u>541,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £159,000

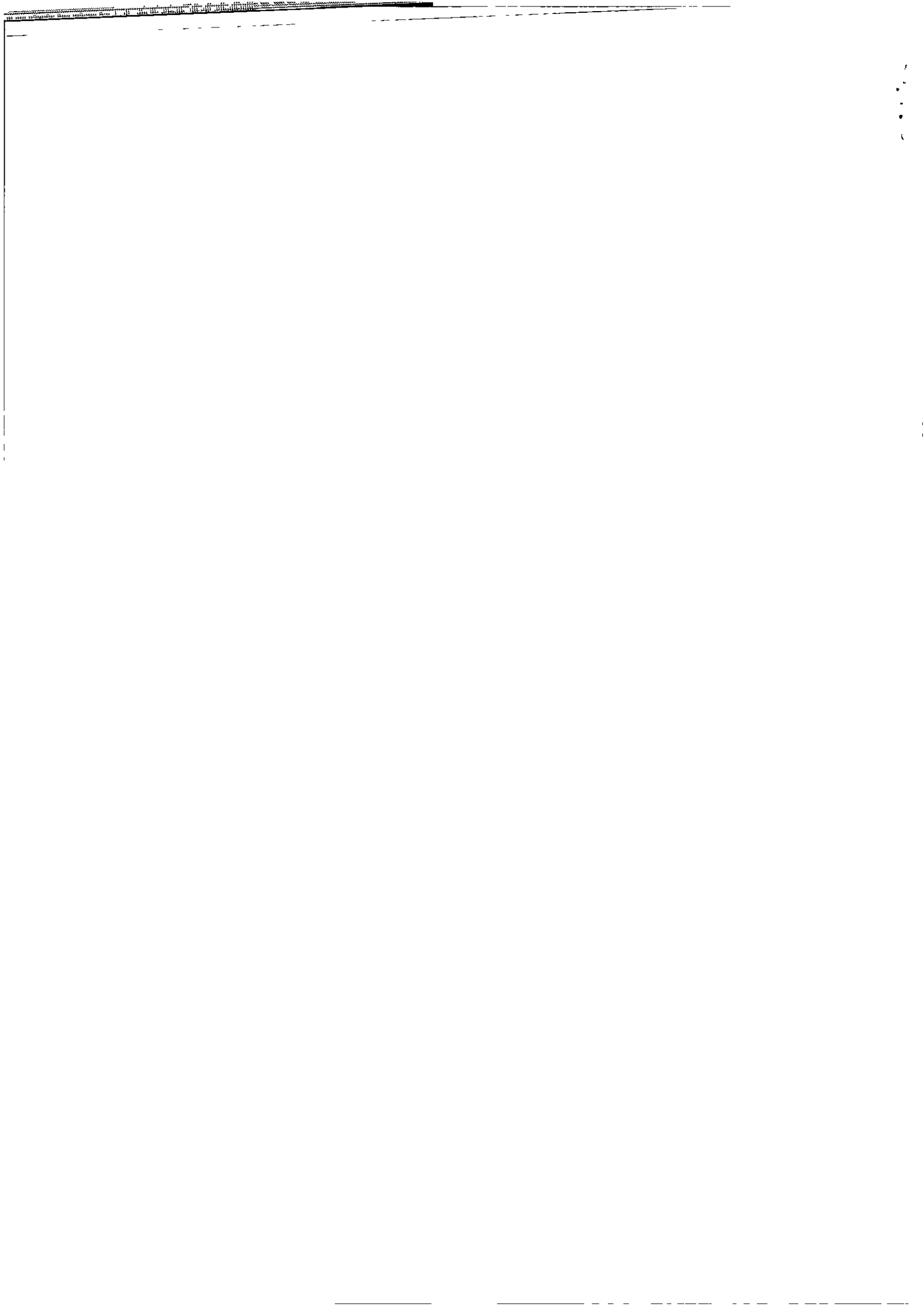
The academy expects to contribute £109,000 to its Defined benefit pension scheme in 2013

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.6%	217,000
Bonds	3.9%	97,000
Property	3.6%	54,000
Cash	0.5%	27,000
Alternative assets	4.2%	146,000
Total market value of assets		541,000
Present value of scheme liabilities		(1,337,000)
Surplus/(deficit) in the scheme		<u>(796,000)</u>

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

	2012
Discount rate for scheme liabilities	3.90 %
Rate of increase in salaries	3.85 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %
RPI Increase	2.70 %



BAYLIS COURT SCHOOL
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

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

	2012
Retiring today	
Males	23.0
Females	25.6
Retiring in 20 years	
Males	25.0
Females	27.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2012
	£
Defined benefit obligation	(1,337,000)
Scheme assets	541,000
Deficit	(796,000)
Experience adjustments on scheme liabilities	(150,000)

24. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2012 £	Other 2012 £
Expiry date		
Between 2 and 5 years	-	10,516

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

There were no related party transactions in the period.