

Registered number 07662414

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**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

TUESDAY



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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**Trustees**

Mrs D AJose, Headteacher (appointed 1 September 2012)  
Mrs G Asmer  
Mrs S Ali (appointed 4 November 2011)<sup>1</sup>  
Mrs N Ashraf (resigned 3 December 2012)<sup>1</sup>  
Mrs S Bate<sup>1</sup>  
Dr H Dias (resigned 28 January 2013)<sup>1</sup>  
Mrs R Followell<sup>1</sup>  
Mrs V Mayer<sup>1</sup>  
Mrs D Morris, Vice Chair<sup>1</sup>  
Mrs C Parkes<sup>1</sup>  
Mr J M Reekie, Chairman<sup>1</sup>  
Mrs A Silvester<sup>1</sup>  
Mrs S Sadiq (appointed 13 March 2013)  
Mrs M Ball, Headteacher (resigned 31 August 2012)

<sup>1</sup> Director

**Company registered number**

07662414

**Principal and registered office**

Gloucester Avenue, Slough, Berkshire, SL1 3AH

**Company secretary**

Mrs Lisa James

**Chief executive officer**

Mrs D AJose

**Independent auditors**

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

**Bankers**

Lloyds TSB, Slough Trading Estates, Business Centre, Lloyds TSB Business Bankings, PO Box 1000, BX1 1LT

**Solicitors**

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period from 1 September 2012 to 31 August 2013

On 1 September 2012 Mrs Deborah AJose became Headteacher after the retirement of Mrs Ball after serving 12 very successful years at Baylis Court School. During this period of time the school grew substantially in number, saw examination results improve to the extent that Baylis Court School became the best non selective school in Slough. Also during her time the school achieved outstanding status in an Ofsted inspection and developed from being a Community School to Foundation status and finally to an Academy. Trustees wish Mrs Ball a long and happy retirement. During this year we welcomed Mrs AJose as a new Headteacher who brings with her success as a Headteacher at a Secondary School in Reading. Trustees are pleased to report that Mrs AJose has already made a significant impact on the lives of the pupils at Baylis Court School as the examination results section of this report demonstrates with the best ever results to date and the continued reputation of being the best non selective Secondary School in Slough despite the other local school improving their results year on year.

#### **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 trustees of Baylis Court School 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 trustees who served during the year are recorded on page 1 in the Reference and Administrative Details.

##### **b. 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.

##### **c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

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

##### **d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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

**e. ORGANISATIONAL STRUCTURE**

The Headteacher is the Principal Accounting Officer. A document headed 'Delegated Powers' was approved by the governing body on 19.9.12 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

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

**f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There are no 'Related Party Relationships' and no formally connected organisations

**g. 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.

**h. TRUSTEES' INDEMNITIES**

There are no qualifying third party indemnity provisions

**i. 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**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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The main objectives for the coming year are -

GCSE targets -

92% Pupils 5 A\* - C including English and Mathematics

74% 5 A\* - C including English and Mathematics

100% 5 A\* - G including English and Mathematics

Sixth Form -

51 0% A2 – A\*-B

100% A2 – A\* - E

Average Total Point Score 718 7

Average Point Score per Entry 210 5

20 1% 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 planning permission has been applied for Funds have been reserved to complete an extension to the Arts Block

Links with other schools are continue with a view to broadening 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 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 and to take on some of the work formerly undertaken by the LA 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 board of trustees 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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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**b. KEY FINANCIAL PERFORMANCE INDICATORS**

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.

**c. REVIEW OF ACTIVITIES**

**Achievements and Performance**

Results on August 2013 were the best ever for the school -

GCSE 5A\*-C including English and mathematics 68%, 88% 5A\*-C, 99% 5A\*-G

AS results showed 56.3% Pass Rate

With 9.4% achieving A – B Grades

9.1% of students achieved 3 AS Levels A-B

A2 results showed 100% pass rate A\* - E with students achieving 3 A – Levels A\* - E

21.2% of Students achieved 3 A- levels A\* - B

42.3% of Students achieved 2 A-Levels A\*-B

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 and to discuss strategy.

**d. 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. 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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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ensures risk is minimal in these areas

**b. RESERVES POLICY**

Reserves of £15,194,087 are held as at 31 August 2013. The school has insufficient accommodation for its growing numbers and is now embarking on a programme to extend its building stock. The estimated cost of the initial extension is £1,400,000. This extension is proposed to be built during the financial year 2012/13 subject to planning approval. 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.

**c. MATERIAL INVESTMENTS POLICY**

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.

**Plans for the future**

**FUNDS HELD AS CUSTODIAN**

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

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee 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 board of trustees on 28 November 2013 and signed on its behalf by

  
**Mr J Reekie**  
Chair of Trustees



**BAYLIS COURT SCHOOL**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, 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 board of trustees 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 board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs D A Jose, Headteacher	6	6
Mrs G Asmer	1	1
Mrs S Ali	4	6
Mrs N Ashraf	1	2
Mrs S Bate	5	6
Dr H Dias	0	3
Mrs R Followell	6	6
Mrs V Mayer	6	6
Mrs D Morris, Vice Chair	4	6
Mrs C Parkes	3	6
Mr J M Reekie, Chairman	6	6
Mrs A Silvester	0	3
Mrs S Sadiq	6	6

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the academy is following the EFA's financial regulations, to set budgets and review income and expenditure against the budget during the course of the financial year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs D A Jose	3	3
Mrs R Followell	3	3
Mrs V Mayer	3	3
Mr D Morris	2	3
Mr J Reekie	3	3

**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 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

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**GOVERNANCE STATEMENT (continued)**

economically The system of internal control has been in place in Baylis Court School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements

**CAPACITY TO HANDLE RISK**

The board of trustees 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 board of trustees 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 year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**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 board of trustees,
- regular reviews by the Finance and General Purposes 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 appointee'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 appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


**REVIEW OF EFFECTIVENESS**


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

- the work of the external auditors,
- 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

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 General Purposes 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 board of trustees on *28 November 2013* and signed on their behalf, by

  
Mr J Reekie  
Chairman

  
Mrs D Ajose  
Accounting Officer

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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 board of trustees 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 (2012)

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012)

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



Mrs D A Jose  
Accounting Officer

18 November 2013

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**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2013**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees 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 business

The Trustees 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 Trustees 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 Trustees 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 trustees on 28 November 2013 and signed on its behalf by



**Mr J Reekie**  
Chair of Trustees

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

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We have audited the financial statements of Baylis Court School for the year ended 31 August 2013 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 Academies Accounts Direction 2013 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 TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Michael Durst (Senior statutory auditor)

for and on behalf of

**Landau Baker Limited**

Chartered Accountant

Mountcliff House  
154 Brent Street  
London  
NW4 2DR  
28 November 2013

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

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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 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Baylis Court School during the year 1 September 2012 to 31 August 2013 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 REPORTING 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 extant from 1 September 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 2013. 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 year 1 September 2012 to 31 August 2013 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 2013 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.

**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 year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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Michael Durst (Senior statutory auditor)

for and on behalf of

**Landau Baker Limited**

Chartered Accountant

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date 28 NOVEMBER 2013



**BAYLIS COURT SCHOOL**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2013

		Restricted funds	Restricted fixed asset funds	Total funds	Total funds 08 06 2011 to 31 08 2012 £
	Note	2013 £	2013 £	2013 £	
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	-	-	-	14,768,039
Incoming resources from charitable activities	3	6,330,817	158,661	6,489,478	6,248,834
<b>TOTAL INCOMING RESOURCES</b>		<b>6,330,817</b>	<b>158,661</b>	<b>6,489,478</b>	<b>21,016,873</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities		5,692,990	778,407	6,471,397	6,249,537
Governance costs	4	7,025	-	7,025	7,325
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>5,700,015</b>	<b>778,407</b>	<b>6,478,422</b>	<b>6,256,862</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>630,802</b>	<b>(619,746)</b>	<b>11,056</b>	<b>14,760,011</b>
Transfers between Funds	17	14,925	(14,925)	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>645,727</b>	<b>(634,671)</b>	<b>11,056</b>	<b>14,760,011</b>
Actuarial gains and losses on defined benefit pension schemes		(70,000)	-	(70,000)	(159,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>575,727</b>	<b>(634,671)</b>	<b>(58,944)</b>	<b>14,601,011</b>
<i>Total funds at 1 September 2012</i>		<i>82,636</i>	<i>14,518,375</i>	<i>14,601,011</i>	<i>-</i>
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>658,363</b>	<b>13,883,704</b>	<b>14,542,067</b>	<b>14,601,011</b>

All activities relate to continuing operations

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

The notes on pages 18 to 35 form part of these financial statements

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	13		13,883,704		14,518,376
<b>CURRENT ASSETS</b>					
Stocks	14	2,520		2,520	
Debtors	15	56,045		60,293	
Cash at bank and in hand		1,636,209		1,185,040	
		<u>1,694,774</u>		<u>1,247,853</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(102,411)		(369,218)	
<b>NET CURRENT ASSETS</b>			1,592,363		878,635
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			15,476,067		15,397,011
Defined benefit pension scheme liability	20		(934,000)		(796,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>14,542,067</u>		<u>14,601,011</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds					
Restricted funds	17	1,592,363		878,636	
Restricted fixed asset funds	17	13,883,704		14,518,375	
Restricted funds excluding pension liability		15,476,067		15,397,011	
Pension reserve		(934,000)		(796,000)	
Total restricted funds			<u>14,542,067</u>		<u>14,601,011</u>
<b>TOTAL FUNDS</b>			<u>14,542,067</u>		<u>14,601,011</u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2013 and are signed on their behalf, by

  
**Mr J M Reekie** Chairman  
Chair of Trustees

The notes on pages 18 to 35 form part of these financial statements

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	19	451,169	1,127,594
<b>INCREASE IN CASH IN THE YEAR</b>		<u>451,169</u>	<u>1,127,594</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2013**

	2013 £	2012 £
Increase in cash in the year	451,169	1,127,594
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<u>451,169</u>	<u>1,127,594</u>
Net funds at 1 September 2012	1,185,040	57,446
<b>NET FUNDS AT 31 AUGUST 2013</b>	<u>1,636,209</u>	<u>1,185,040</u>

The notes on pages 18 to 35 form part of these financial statements

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<p><b>BAYLIS COURT SCHOOL</b> <b>(A company limited by guarantee)</b></p>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**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 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 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 Trustees.

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.

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**BAYLIS COURT SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. 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.

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

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 and it is measurable.

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.

**1.4 Resources expended**

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

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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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**BAYLIS COURT SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 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- Building	-	straight line based on estimated useful life
Motor vehicles	-	33% straight-line basis
Fixtures and fittings	-	100% straight line basis
Computer equipment	-	50% straight-line basis

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 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**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.9 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 20, 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. VOLUNTARY INCOME**

	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>	<i>Total funds 2012 £</i>
Transferred from predecessor school	-	-	14,768,039

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>	<i>Total funds 2012 £</i>
Educational Operations	6,489,478	6,489,478	6,248,834

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
General Annual Grants	5,757,723	5,757,723	5,799,575
SEN	54,583	54,583	68,839
Pupil Premium	264,403	264,403	61,517
Insurance Claim	-	-	10,077
Other Government Grants	32,424	32,424	118,201
Capital Grants	158,661	158,661	-
Other Income	82,450	82,450	38,941
Catering Income	91,180	91,180	89,391
Trips Income	23,754	23,754	47,832
Bank Interest	3,714	3,714	3,992
Miscellaneous income	20,586	20,586	10,469
	<u>6,489,478</u>	<u>6,489,478</u>	<u>6,248,834</u>

**4. GOVERNANCE COSTS**

	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Governance Auditors' remuneration	7,025	7,025	7,325



**BAYLIS COURT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**5. DIRECT COSTS**

	<b>Educational Operational £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Pension finance costs	28,000	28,000	32,000
Educational supplies	329,876	329,876	200,886
Supply Agency Costs	103,514	103,514	85,056
Maintenance of premises	88,844	88,844	247,097
Staff development	27,907	27,907	18,278
Repairs & maintenance	29,550	29,550	99,761
Insurance	49,099	49,099	14,748
ICT Curriculum	44,905	44,905	60,357
Water & Rates	19,445	19,445	-
Capital expenditure	12,449	12,449	-
Other expenses	17,502	17,502	18,191
Wages and salaries	2,906,140	2,906,140	3,208,478
National insurance	238,987	238,987	265,504
Pension cost	377,217	377,217	403,172
Depreciation	778,407	778,407	-
	<b>5,051,842</b>	<b>5,051,842</b>	<b>4,653,528</b>

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**6. SUPPORT COSTS**

	Support Operational £	Total 2013 £	Total 2012 £
Educational supplies	(2,273)	(2,273)	81,477
Supply Agency Costs	11,064	11,064	25,489
Advertising & Recruitment	24,693	24,693	26,936
Maintenance of premises	2,425	2,425	5,653
Staff development	8,410	8,410	4,993
Repairs & maintenance	46,328	46,328	103,555
Insurance	11,018	11,018	11,102
ICT Admin	52,642	52,642	88,693
Catering supplies	88,406	88,406	88,780
Water & Rates	5,620	5,620	7,836
Gas & Electricity	81,148	81,148	78,563
School trips	29,823	29,823	61,423
Legal & professional	153,733	153,733	32,470
Cleaning	9,610	9,610	14,755
Telephone	11,753	11,753	10,814
Security & transport	5,964	5,964	4,765
Other expenses	42,248	42,248	30,645
Bank charges	119	119	298
Wages and salaries	550,580	550,580	727,888
National insurance	40,948	40,948	45,256
Pension	245,296	245,296	87,172
Depreciation	-	-	57,446
	<u>1,419,555</u>	<u>1,419,555</u>	<u>1,596,009</u>

**7 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Educational Operations	3,522,344	778,407	751,091	5,051,842	6,249,537
Support costs - Educational					
Operatio	836,824	-	582,731	1,419,555	1,596,009
Support costs - Activity 4	-	-	-	-	7,325
<b>Charitable activities</b>	<u>4,359,168</u>	<u>778,407</u>	<u>1,333,822</u>	<u>6,471,397</u>	<u>7,852,871</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>7,025</u>	<u>7,025</u>	<u>7,325</u>
	<u>4,359,168</u>	<u>778,407</u>	<u>1,340,847</u>	<u>6,478,422</u>	<u>7,860,196</u>

**BAYLIS COURT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Educational Operations	5,051,842	1,419,555	6,471,397	6,249,537

**9. NET INCOME**

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the charity	778,408	57,446
Auditors' remuneration	7,025	7,325
Governance Internal audit costs	-	-

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**10. STAFF COSTS**

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	3,456,720	3,789,366
Social security costs	279,935	310,760
Other pension costs (Note 20)	622,513	637,344
	<u>4,359,168</u>	<u>4,737,470</u>

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

	2013 No.	2012 No
Teachers	53	59
Teaching assistants	12	13
Admin	14	12
Management	10	11
	<u>89</u>	<u>95</u>

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

	2013 No.	2012 No
In the band £70,001 - £80,000	1	1
In the band £100,001 - £200,000	1	1
	<u>2</u>	<u>2</u>

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees remuneration was as follows

Deborah Ajoye (staff governor -headteacher)	£100,000 - £105,000
Sarah Bate (staff governor)	£35,000 - £40,000 (£40,000 - £45,000)
Adele Silverster (staff governor)	£5,000 - £10,000 (£10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 22

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £2,309 92 (2012 - £2,266)

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

**12. PENSION FINANCE COSTS**

	2013 £	2012 £
Expected return on pension scheme assets	28,000	26,000
Interest on pension scheme liabilities	(56,000)	(58,000)
	<u>(28,000)</u>	<u>(32,000)</u>

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
<b>Cost</b>				
At 1 September 2012	14,385,463	19,828	93,758	76,772
Additions	-	-	74,115	69,621
At 31 August 2013	<u>14,385,463</u>	<u>19,828</u>	<u>167,873</u>	<u>146,393</u>
<b>Depreciation</b>				
At 1 September 2012	-	3,341	40,558	13,546
Charge for the year	628,695	6,610	93,313	49,790
At 31 August 2013	<u>628,695</u>	<u>9,951</u>	<u>133,871</u>	<u>63,336</u>
<b>Net book value</b>				
At 31 August 2013	<u>13,756,768</u>	<u>9,877</u>	<u>34,002</u>	<u>83,057</u>
At 31 August 2012	<u>14,385,463</u>	<u>16,487</u>	<u>53,200</u>	<u>63,226</u>

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**13. TANGIBLE FIXED ASSETS (continued)**

	Total £
<b>Cost</b>	
At 1 September 2012	14,575,821
Additions	143,736
At 31 August 2013	<u>14,719,557</u>
<b>Depreciation</b>	
At 1 September 2012	57,445
Charge for the year	778,408
At 31 August 2013	<u>835,853</u>
<b>Net book value</b>	
At 31 August 2013	<u>13,883,704</u>
At 31 August 2012	<u>14,518,376</u>

**14 STOCKS**

	2013 £	2012 £
Finished goods and goods for resale	<u>2,520</u>	<u>2,520</u>

**15. DEBTORS**

	2013 £	2012 £
Other debtors	<u>56,045</u>	<u>60,293</u>

**16. CREDITORS:  
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	66,586	147,745
Other taxation and social security	-	82,825
Other creditors	12,500	58,366
Accruals and deferred income	23,325	80,282
	<u>102,411</u>	<u>369,218</u>

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**16. CREDITORS**  
Amounts falling due within one year (continued)

**17. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Restricted funds</b>						
Restricted Funds - all funds	878,636	6,354,142	(5,632,015)	14,925	-	1,615,688
Pension reserve	(796,000)	-	(68,000)	-	(70,000)	(934,000)
Other Restricted funds	-	(23,325)	-	-	-	(23,325)
	<u>82,636</u>	<u>6,330,817</u>	<u>(5,700,015)</u>	<u>14,925</u>	<u>(70,000)</u>	<u>658,363</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	14,518,375	158,661	(149,712)	(14,925)	-	14,512,399
Other Restricted funds	-	-	(628,695)	-	-	(628,695)
	<u>14,518,375</u>	<u>158,661</u>	<u>(778,407)</u>	<u>(14,925)</u>	<u>-</u>	<u>13,883,704</u>
Total restricted funds	<u>14,601,011</u>	<u>6,489,478</u>	<u>(6,478,422)</u>	<u>-</u>	<u>(70,000)</u>	<u>14,542,067</u>
Total of funds	<u>14,601,011</u>	<u>6,489,478</u>	<u>(6,478,422)</u>	<u>-</u>	<u>(70,000)</u>	<u>14,542,067</u>

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

Restricted Fixed Assets Funds are resources to be spent on particular capital purposes, restricted funds are resources for educational purposes, unrestricted funds are resources for general purposes

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

**BAYLIS COURT SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds	82,636	6,330,817	(5,700,015)	14,925	(70,000)	658,363
Restricted fixed asset funds	<u>14,518,375</u>	<u>158,661</u>	<u>(778,407)</u>	<u>(14,925)</u>	<u>-</u>	<u>13,883,704</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	14,512,400	13,883,705	14,518,376
Current assets	1,694,773	-	1,694,773	1,247,854
Creditors due within one year	(79,086)	-	(102,411)	(369,219)
Provisions for liabilities and charges	(934,000)	-	(934,000)	(796,000)
	<u>658,363</u>	<u>13,883,704</u>	<u>14,542,067</u>	<u>14,601,011</u>

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Net incoming resources before revaluations	11,056	14,760,011
Depreciation of tangible fixed assets	778,408	-
Increase in stocks	-	(2,520)
Decrease in debtors	4,249	(60,295)
Decrease in creditors	(266,808)	369,219
Fixed assets additions	(143,736)	(190,358)
Freehold Property	-	(14,385,463)
Pension costs	68,000	50,000
FRS 17 pension deficit	-	587,000
<b>Net cash inflow from operations</b>	<u>451,169</u>	<u>1,127,594</u>

**20. 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



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**20. PENSION COMMITMENTS (continued)**

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 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 year

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution

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**20. PENSION COMMITMENTS (continued)**

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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) 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 FRS 17 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.

**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 year ended 31 August 2013 was £164,000, of which employer's contributions totalled £121,000 and employees' contributions totalled £43,000. The agreed contribution rates for future years are 17.8% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. PENSION COMMITMENTS (continued)**

Department for Education The guarantee came into force on 18 July 2013

The amounts recognised in the Balance sheet are as follows

	2013 £	2012 £
Present value of funded obligations	(1,688,000)	(1,337,000)
Fair value of scheme assets	754,000	541,000
	<u>(934,000)</u>	<u>(796,000)</u>
Net liability	<u>(934,000)</u>	<u>(796,000)</u>

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

	2013 £	2012 £
Current service cost	(161,000)	(147,000)
Interest on obligation	(56,000)	(58,000)
Expected return on scheme assets	28,000	26,000
10516	-	-
	<u>(189,000)</u>	<u>(179,000)</u>
Total	<u>(189,000)</u>	<u>(179,000)</u>
Actual return on scheme assets	<u>51,000</u>	<u>18,000</u>

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

	2013 £	2012 £
Opening defined benefit obligation	1,337,000	938,000
Current service cost	161,000	147,000
Interest cost	56,000	58,000
Contributions by scheme participants	43,000	45,000
Actuarial Losses	95,000	159,000
Estimated benefit paid	(4,000)	(1,000)
Actual return less expected return on scheme assets	-	(9,000)
Opening defined benefit obligations	<u>-</u>	<u>-</u>
Closing defined benefit obligation	<u>1,688,000</u>	<u>1,337,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. PENSION COMMITMENTS (continued)**

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

	2013 £	2012 £
Opening fair value of scheme assets	541,000	351,000
Expected return on assets	28,000	26,000
Actuarial gains	25,000	-
Actuarial losses	-	(9,000)
Contributions by employer	121,000	129,000
Contributions by employees	43,000	45,000
Benefits paid	(4,000)	(1,000)
	<u>754,000</u>	<u>541,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £71,000 (2012 - £159,000)

The academy expects to contribute £111,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2013	2012
European	42.00 %	40 00 %
Gilts	1.00 %	- %
Bonds	21.00 %	18 00 %
Property	9.00 %	10 00 %
Cash	1.00 %	5 00 %
Alternative Assets	26.00 %	27 00 %

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

	2013	2012
Discount rate for scheme liabilities	4.70 %	3 90 %
Rate of increase in salaries	4.85 %	3 85 %
Rate of increase for pensions	2.90 %	1 90 %
Inflation assumption (CPI)	2 90 %	1 90 %
RPI Increase	3.70 %	2 70 %

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

	2013	2012
Retiring today		
Males	23.1	23 0
Females	25 7	25 6
Retiring in 20 years		
Males	25.1	25 0
Females	27 6	27 6

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(1,688,000)	(1,337,000)
Scheme assets	754,000	541,000
Deficit	(934,000)	(796,000)
Experience adjustments on scheme liabilities	(95,000)	(150,000)
Experience adjustments on scheme assets	25,000	-

**21. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	2012 £	2013 £	Other 2012 £
<b>Expiry date:</b>				
Within 1 year	-	-	1,192	-
Between 2 and 5 years	-	-	10,516	10,516

**22. RELATED PARTY TRANSACTIONS**

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

There were no related party transactions during the period.