

COMPANY LIMITED BY GUARANTEE
REGISTRATION NUMBER 07691820
(ENGLAND AND WALES)

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013



HW
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

Contents

	Page
Reference and administrative details	1
Trustees' report	2
Governance statement	21
Statement on regularity, propriety and compliance	24
Statement of trustees' responsibilities	25
Independent auditors' report to the members	26
Independent reporting accountant's assurance report on regularity to the academy trust and the Education Funding Agency	28
Statement of financial activities incorporating income & expenditure account	31
Balance sheet	32
Cash flow statement	33
Notes to the financial statements	34

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2013

Trustees	B Jones (Chair of Trustees) (Director)* R Tyrer (Vice Chair) (Director)* J Hazeldine (Headteacher) (Director)* R Corke (Director) J Reilly (Director) D Richardson (Director) E Steel (Director) J Robinson (Director)* (Appointed 4 10 12) A Field (Director)* (Appointed 8 10 12) S Barrett (Director) E Jundi (Director) (Appointed 3 10 12) K Woods (Director) (Appointed 8 2 13) H Lockett (Director) R Martin (Director) C Bates
Secretary	R Bancroft
Strategic leadership team	J Hazeldine (Headteacher) L Fathers (Deputy Headteacher) R Bancroft (Director of Business and Finance) D Trussell (Director of Curriculum/Assistant Headteacher) S Schofield (Director of Progress and Achievement / Assistant Headteacher) Vacant Position (Director of Behaviour and Safeguarding)
Registered office	Flixton Road, Urmston, Manchester, M41 5DR
Company registration number	07691820
Auditors	HW, Chartered Accountants & Registered Auditors, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT
Bankers	Lloyds TSB, Lloyds TSB Commercial Centre, 223 Finney Lane, Heald Green, Cheshire
Solicitors	Brown Jacobson LLP, 44 Castle Gate, Nottingham, Nottinghamshire, NG1 7BG

* Member of the finance committee

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

The trustees and directors present their report with the financial statements of the charitable company for the year ended 31 August 2013

Structure, governance and management

Constitution

The academy was incorporated on 4 July 2011 as a company limited by guarantee with no share capital, registration no 07691820. The company commenced operation as an academy on 1 August 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the board of trustees of Flixton Girls' School. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

Member's liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Trustees

Fourteen of the trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation.

The trustees who were in office at 31 August 2013 and served during the period are listed on page 1.

Trustees' indemnities

In accordance with normal commercial practice, the academy has purchased trustees' indemnity insurance through Chartis Insurance UK to protect from claims arising from negligence, errors or omissions occurring whilst on academy business.

Principal activities

The principal object and activity of the charitable company is the operation of Flixton Girls' School, an 11 to 16 academy for girls of all abilities.

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, and
- to promote for the benefit of individuals living in Urmston and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

The Founding Principles of the academy are as follows

Aspiration, the first of our founding principles is vital in instilling in each girl the desire to be successful in her chosen field and to have high ambition for the future

Empowerment, the second of our founding principles, ensures that each girl is equipped with the skills and abilities she needs in order to achieve success

Excellence, our third founding principle, permeates our actions and drives ambition, the unlimited ability to do ordinary things extraordinarily well

Method of recruitment and appointment or election of trustees

Trustees are recruited in a number of ways. For community trustees this is often through recommendation or through existing business links. Parent and staff trustees are elected through a balloting process with the relevant groups. Appointments are ratified by the full board of trustees.

Policies and procedures adopted for the induction and training of trustees

Newly appointed trustees meet initially with the headteacher who introduces them to the school and explains their responsibilities. An induction pack is provided and new trustees are directed to Trafford Council Trustee Services for support and training information. The academy has an annual service level agreement with Trafford Council to provide training for trustees. A varied range of training activities are on offer and attendance is monitored at each meeting of the full board of trustees. Additional bespoke training may be provided in house and through subcommittee meetings. Trustees receive internal information and specific presentations from senior leaders and key staff. FGS has also recently registered with the National Trustees Association.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education.

All trustees are members of the full board of trustees. In addition, trustees are members of sub committees which report to the full board of trustees.

The board of trustees meet each school term to receive reports from its sub committees and manage its strategic objectives. There are three sub committees.

- Business and Finance, which meets at least termly to consider the academy's budget and financial performance, internal controls and risk management. This committee also considers the strategic development plan, building and estates, health and safety and staffing and service provision.
- Curriculum and Teaching and Learning, which meets at least termly to consider the academy's curriculum matters and teaching and learning strategies and performance. This committee also considers continued professional development, specialism and parental engagement.
- Inclusion and Attainment, which meets at least termly to consider the academy's target setting, data and performance. This committee also considers special education needs and behaviour.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

The day to day management is delegated to the headteacher who has appointed a strategic leadership team, which meets weekly to advise the headteacher on her day to day responsibilities

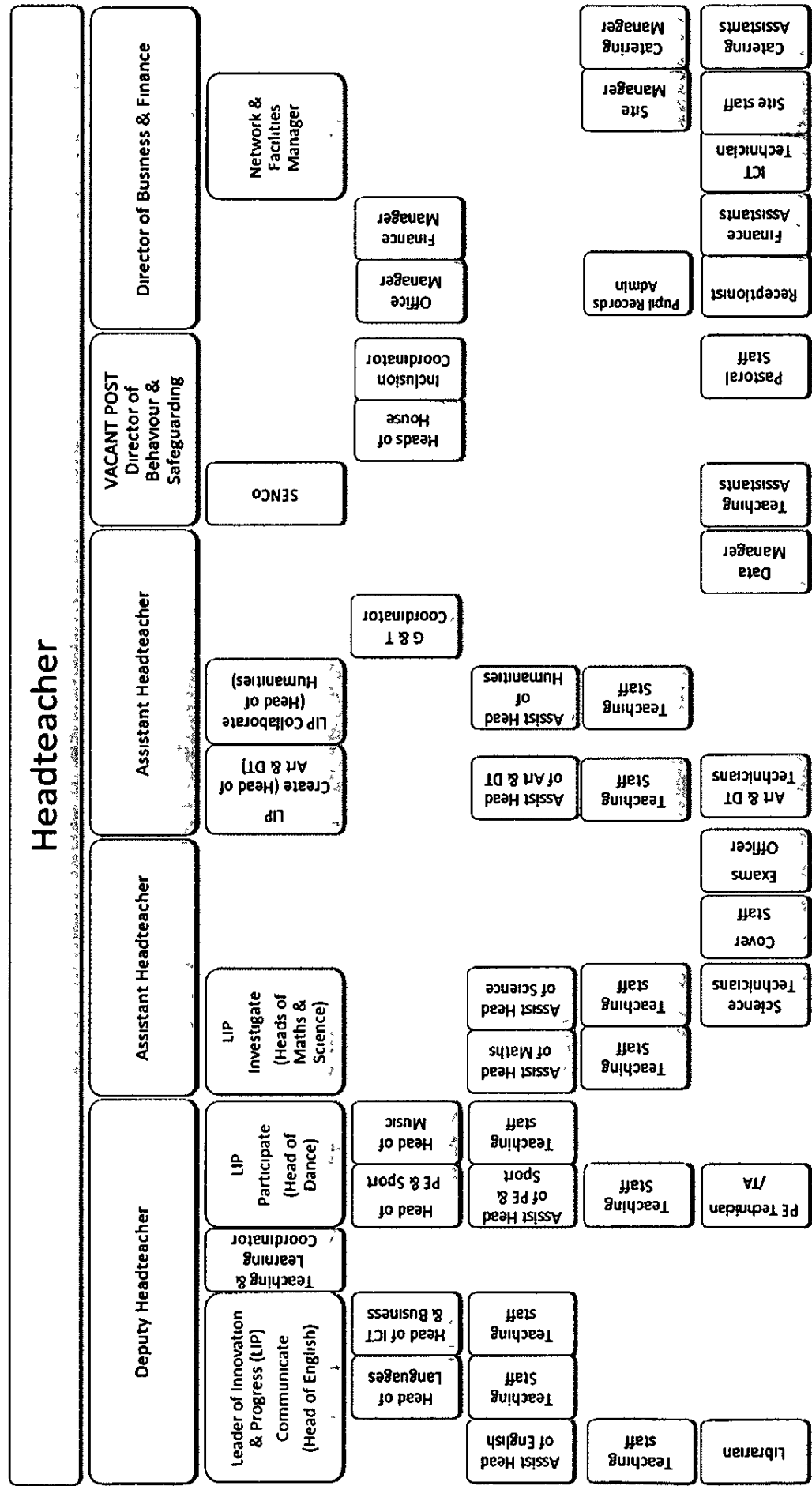
The academy has a total of 108 staff. There are 58 teaching staff and 50 support staff including teaching assistants and catering staff. There are a number heads of department and subject leaders with additional TLR responsibilities. The staff structure is shown on the following page

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued)

YEAR ENDED 31 AUGUST 2013

Staff structure to August 2013



FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the curriculum, pupil numbers, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Connected organisations, including related party relationships

The relationship between the Flixton Well Woman Trust and Flixton Girls School has completely changed since its inception in 2010. As the school changed its status from a Foundation and Trust School in 2010/2011 to become an academy on 1 August 2011, the FWWT board of trustees has transferred the land and assets back to the school and has relinquished its responsibility for governance.

During 2012-13, the FWWT board of trustees reviewed the aims for the trust.

- To create a safe space for women to meet their potential
- To strengthen the local community
- To deliver public services bespoke for women
- To improve physical health of women through participation in physical activity
- To improve emotional health and well-being of women
- To develop a sustainable organisation by offering high quality services and increasing public awareness
- To facilitate high quality professional training and development
- To protect women and their families from harm

2012/13 was a year of continuing to establish working partnerships with organisations and individuals who can support our vision. This has included FGS, Trafford College, The Community Change Foundation, Trafford Local Authority and Altrincham Girls Grammar School to name but a few.

Our partnership with Trafford College has enabled us to introduce post-16 delivery on site. From 1 September 2013 we will continue with students in the Transition Group and introduce A level courses also.

Objectives and activities

The principal object and activity of the charitable company is the operation of Flixton Girls' School Trust to provide education for girls of all abilities between the ages of 11 – 16.

FGS are specialists in girls' education providing a nurturing, supportive and challenging environment where girls excel. Exceptional opportunities allow girls to develop their individual characters and talents and to fulfil their dreams and aspirations. FGS welcomes girls of all abilities, interests and aptitudes.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Objects and aims

Our founding principles

At FGS we inspire girls to discover their talents and fulfil their potential through our founding principles of aspiration, empowerment and excellence. These principles are at the heart of life at FGS, ensuring that each individual is able to achieve her personal best.

Our values

All in our school

- Nurture ambition and recognise talent
- Develop abilities
- Respect and value each other
- Celebrate diversity and achievement
- Promote self-belief, confidence and a 'can-do' attitude
- Promote healthy lifestyles and participation in physical activity
- Provide stretch, challenge and support
- Encourage reflection
- Pursue and achieve excellence

Objectives, strategies and activities

Aspiration, the first of our founding principles, is vital in instilling in each girl the desire to be successful in her chosen field and to have high ambition for the future. Our highly qualified and dedicated staff team deliver rich experiences and opportunities that enable each girl to find and develop her talents. We work hard to ensure that she is aware of the opportunities available to her and that she is fully supported to achieve her goals. Our curriculum, together with our wide and varied enrichment programme, introduces girls to many new activities and is underpinned by a commitment to the development of self-confidence, self-worth and a love of learning.

Empowerment, the second of our founding principles, ensures that each girl is equipped with the skills and abilities she needs in order to achieve success. At FGS we believe that the empowerment of a young woman is the key to her future happiness and success, as well as to the future of our community and our society. We empower our girls through

- a sporting ethos encouraging leadership, teamwork, coaching, perseverance and reflection,
- a creative approach to teaching and learning,
- an innovative curriculum that embraces learning beyond the classroom, providing challenge and adventure,
- the development of their own voice through active citizenship and leadership,
- access to inspirational role models,
- a wonderfully supportive house system that nurtures the girls through a family approach, and
- a truly robust and contemporary approach to all aspects of safeguarding. The happiness, health and well-being of our girls drive all that we do.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Excellence, our third founding principle, permeates our actions and drives ambition, the unlimited ability to do ordinary things extraordinarily well. Flixton girls are proud of their school and benefit from our deep commitment to traditional standards, courtesy and respect, leading to outstanding achievements and academic success.

At FGS we believe that each girl deserves the very best education and has limitless potential. We consider it our duty to help her to discover and fulfil that potential. We are privileged to guide each girl as we share with her, her most enjoyable, challenging and exciting journey of her life, from girl to woman.

Public benefit

The trust has a commitment to the community. Flixton Girls are proud of their school and benefit from our deep commitment to traditional standards, courtesy and respect. Supporting the local community is part of the ethos at Flixton Girls' School. FGS want to play our part in helping the lives of others.

As a Specialist Sports College, excellence in community work to support community cohesion, family learning and extended schools is at the heart of our specialist community action plan.

Our vision recognises and celebrates the diversity within our catchment area and welcomes the contributions which different groups and individuals make to the community. Through our specialism we have funding to set up, support and sustain activity where none currently exists.

Every term our students take part in a variety of charity events to help raise money for the local, national and international charities.

Achievements and performance

The school has made significant improvements over time in the percentage of students gaining 5 or more A* to C grades including English Language and Mathematics rising from 39% in 2007 to 73.3% in 2013 which represents an increase of 87% over 6 years. Many of the girls have done incredibly well including 85% of girls achieving 5 or more GCSE grades A* to C and 99.4% gained 5 or more GCSE grades A* - G. Given that our year 11 cohort was below national average ability this is a hugely significant achievement making FGS the 2nd highest attaining non-selective, non-denominational high school in Trafford! The 14% increase this year from 64% to 73% (or nine percentage points) reflects the high standards in all aspects of school and is the result of hard work, determination and self-belief by the whole school community. The support and dedication of the teachers, support staff, parents and trustees has made it possible to provide ever improving opportunities for the girls.

82% of students achieved grades A* to C in Maths, almost one third of the girls gained A* or A grades in Maths, 87% achieved grades A* to C in English and 100% of the girls achieved at least one or more A* to G grade passes. Thirty-one top performing students gained a minimum 5 or more A* and A grades, however, we are proud of all the girls and especially those who coped with extreme adversity but still achieved great results to enable them to fulfil their ambitions.

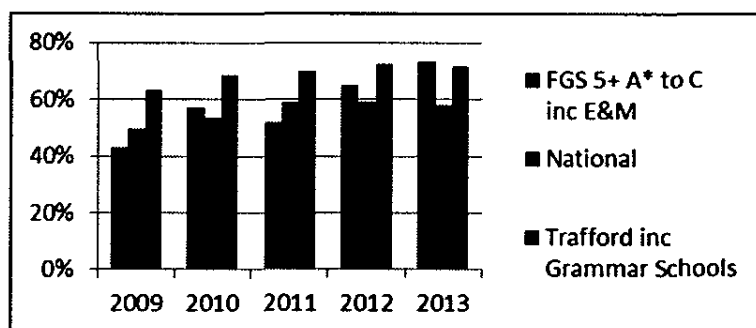
FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

It was difficult to predict the English results as the examination boards had not been permitted to share the grade boundaries with teachers, however, the English department worked with the help of SLT to ensure that all girls gained their highest marks in the controlled assessments, thereby giving them the best chance in the exam. This led to 87% of the girls gaining a C or above in English against a national figure of 63.6%. This was a large increase on the previous year and is especially significant as several local schools were reporting a drop in their English results.

In Maths in the March sitting 79% of the girls attained a C or above in Maths and in the June sitting some pupils re-sat the exam if they had not previously achieved their target. This led to a further 3% of students gaining a C or above and some increases from C to B or B to A or A to A*. The final result was 82% gaining C or above, well above the national average.



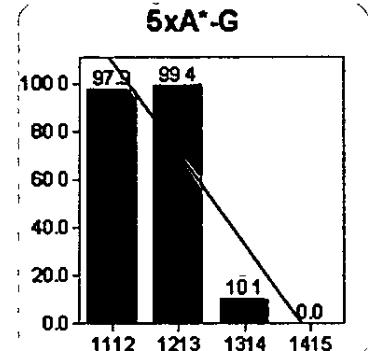
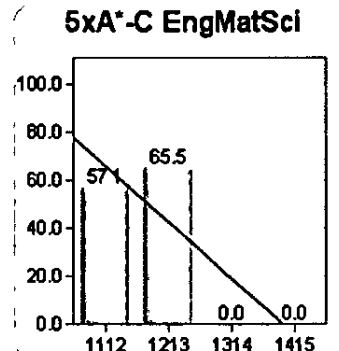
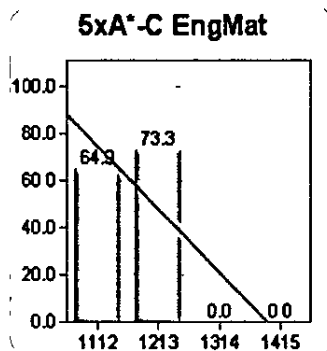
The examination results for 2012-13 highlighted the impact of the revised tracking and reporting systems introduced in Spring 2013 for Key Stage 4. Through a series of personalised interventions, an increase in revision classes and an improvement in departmental tracking procedures we evidenced an overall increase in the majority of curriculum areas.

A great emphasis has been placed on the levels of progress pupils are making across Key Stage 3 and 4. In 2012/13 87% of pupils made 'expected progress' in English and 90% of pupils made expected progress in Maths. We are significantly 'narrowing the gap' between our disadvantaged and non-disadvantaged pupils including 72% of students eligible for Free School Meals gaining 5+ A* to C including English and Maths. This has been a hugely important area of development based on local and national agendas. We have further developments in place for 2013/14 to eradicate the gap for our disadvantaged pupils and thus ensuring their continued progress in all curriculum subjects.

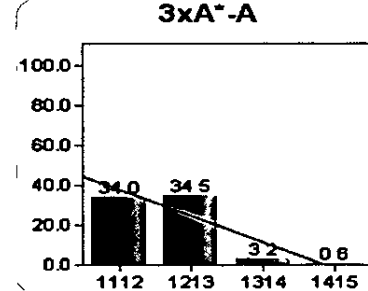
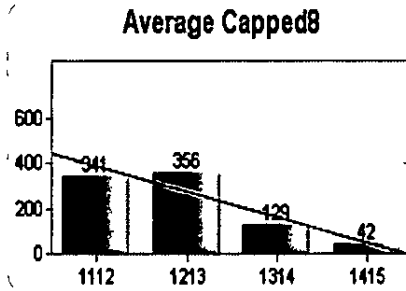
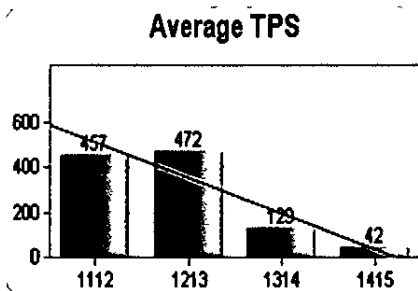
FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013



The average point score for a pupil increased from 457 to 472 in 2012/13. We also saw a substantial increase in the capped 8 scores (the best 8 subjects) from 341 to 356.



The results indicated for 2013/14 in the graph highlight the 'banked results' being carried forward into 2013/14 with our New Year 11 cohort.

Progress of vulnerable groups

There has been an increase in the performance of our vulnerable groups across KS3 & KS4. In particular the cohort identified as pupil premium with 65% of pupil premium girls achieving 5 + A*-C including English and Maths rising from 53% in 2012. There was no gap in the achievement of students designated as FSM in 2013 (those eligible for Free School Meals).

The performance of SEN pupils, especially those pupils identified as statemented made 'good' progress in KS4 in core subjects.

The last Ofsted report main findings

- Flixton Girls' High School is a good school. There are a number of outstanding features including the way in which the school promotes community cohesion and has developed excellent partnerships with local, national and international institutions. There has been a rising trend in attainment since the previous inspection so that now students achieve well and make good progress in most areas of the curriculum. The learning and progress of students with special educational needs and/or disabilities are also good.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

- The school provides a wholly inclusive environment where all students are valued and encouraged to achieve. Students receive outstanding care, guidance and support and, as a result, they acquire skills that equip them well for the next stages in their lives. A large majority of students feel safe in the school and provision for safeguarding is outstanding. Students say that there is little bullying and that when it happens it is dealt with effectively. Behaviour is good in general, allowing lessons to proceed productively. Students are friendly and polite and a large majority say that they enjoy school.
- The quality of teaching is good. Excellent displays and the orderly environment in classrooms combine to create a very good climate for learning. Students show enthusiasm for their studies and participate well in lessons. Teaching in English, Mathematics and Science is improving under new leadership and outcomes for students in these subjects are rising as a result.
- The use of assessment to support learning is variable. In some subjects, assessment is used effectively, such as in English. However, this good practice is not always shared with other departments and therefore assessment is inconsistent. Too often, the marking of work does not give students advice on how to improve.
- The curriculum provides a wide range of courses appropriate to students' abilities and interests. The school does well in tailoring the curriculum to the needs of the students and, as a result, students achieve well. The school benefits from productive partnerships with a variety of institutions which have had a highly positive impact on outcomes for students. The impact of the specialism both in the school and in the local community is outstanding. This area of the school's work is particularly well-led and there is a determination to use sport to engage and inspire students to achieve their potential.
- The headteacher has shown vision and tenacity in driving the school forward since the previous inspection. There is a sharp focus on improving outcomes for students and weaknesses in provision have been tackled robustly.
- Expectations at all levels are high and there is a tangible confidence and ambition that attainment will continue to rise. The school has invested considerable resources in building capacity at middle leadership level and, as a result, the leadership and management of teaching and learning are good. Self-evaluation is accurate and enables the school to determine effectively priorities.
- Planning for improvement is fit for purpose. As a result, the school's capacity for sustained improvement is good.
- The school is highly effective in its commitment to promoting equality of opportunity and tackling discrimination. Its contribution to community cohesion is outstanding.
- The school provides good value for money because the quality of provision is good, as are outcomes for students.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Going concern

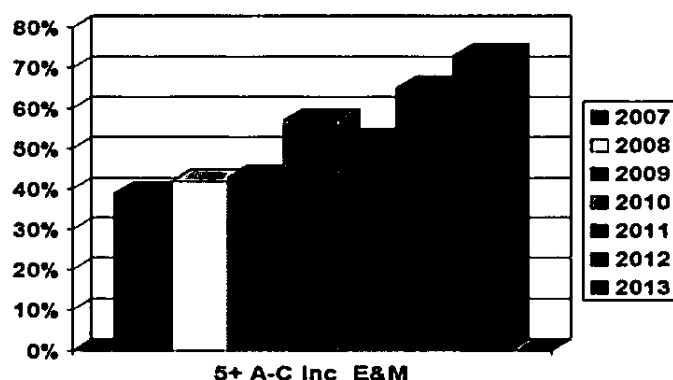
After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further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

Key performance indicators

Academic results

The target for 2013 was 70% but the actual result was 73.3% of students gaining 5 or more A* to C grades including English and Maths. As already stated the academic results have increased significantly and dramatically over time. This increase goes hand in hand with improved standards of teaching, improved pupil behaviour and a more positive culture and ethos embedded within the school.

The academic results are well above national average which is significant in a school with below national average ability pupils up to and until 2013. The ability profile of the pupils is steadily increasing as a result of the improvements over time and public confidence in the school.



Pupil attendance figures

In 2012-2013 for the first time our full year attendance was over 95% and in line with national averages. Ofsted rated attendance as good.

Historical annual attendance figures	Target	Actual
September 2012 – July 2013	96%	95.01%
September 2011 – July 2012	95%	94.1%
September 2010 – July 2011	95%	93.1%
September 2009 – July 2010	95%	92.6%
September 2008 – July 2009	94%	91.9%
September 2007 – July 2008	None set	91.6%

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2013

Pupil recruitment, retention and profile of intake

Trafford LA have been in a falling roll situation for the last few years and this has impacted on the numbers being admitted in year 7 for the last 5 years. The school has been proactive in managing the fall in numbers through careful staffing and curriculum projections and has successfully managed the consequent reduction in funding without detriment. This year we have been very surprised by the increased numbers joining year 7. On census day, 3 October, our pupil numbers were recorded at 774 with 162 in year 7.

Again this year 96 parents put us as first choice out of the 162 year 7 students admitted in September. Over 95% of the girls have come from Trafford primary schools. The ability profile of the girls shows an increasing trend so that the year 11 cohort for 2013-2014 is above average ability for the first time since records and comparative data became available.

Destinations of school leavers

The vast majority of girls leave FGS to go to further education and this has increased over time.

2010 93%

2011 92%

2012 95%

Numbers becoming NEET have conversely decreased over time.

2010 4.5%

2011 5%

2012 2.6%

The school has worked extremely hard to minimise the number of pupils becoming NEET. In 2012 the school entered into a partnership arrangement with Trafford College of Further Education offering a Sixth Form provision on the school site.

In 2012-2013 we ran 2 pilot groups: a 'Re-union Group' which re-engaged girls who had been students at the school but who had subsequently become NEET, ranging in age from 17 to 21. This group successfully gained BTEC in Health and Social Care and Level 1 or 2 qualifications in Maths and English. The second group was a 'Transition Group' which targeted vulnerable school leavers in 2012. This group successfully achieved BTEC in Health and Social Care and Levels 1 or 2 in English and Maths.

In September 2013 the school in partnership with Trafford College opened the FGS Sixth Form providing a range of academic A Levels and a further Transition Group aiming for level 2 qualifications.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning. Of the small number of teachers who left in 2013, two re-located and two went to promoted posts.

An Ofsted inspection was carried out in March 2011 prior to conversion and the school received the official rating of 'GOOD WITH OUTSTANDING FEATURES'. The school has employed a consultant to monitor the progress towards the Ofsted targets and this is reported 3 times a year to trustees. This work demonstrates clear progress towards those targets.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

We are proud of our staff and students' achievements and we continue to make year on year improvements in every aspect of our work

Financial review

The principal financial management policies adopted in the year are

- regular financial reviews of income and expenditure versus planned budgets at finance committee meetings, and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations

The majority of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities

The academy also receives grants for fixed assets from the EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund

Summary financial statements

GAG position

Currently, up to 12% of the total GAG payable can be carried forward of which up to 2% can be spent on any of the purposes for which the GAG is paid. The remainder must be spent on capital expenditure relating to the academy. Results and carry forward for the year are summarised in note 2 of the financial statements, and state that there has been no breach of the rules. The basis of the calculation and extraction of the data used within it have been checked and found to be materially correct.

Capital and other grants

The main components of capital grants were the ACMF grant of £377,808 and the Devolved Formula Capital grants of £5,000

The other EFA grant was in respect of Pupil Premium funding of £153,000, the Local Authority Grant was in respect of Special Educational Needs (SEN) of £117,689 and the following special educational projects grants were also received

Summer School Grant	£2,975
Youth Sport Trust Grant	£9,008
WWCG Family Project	£15,448
School Games Organiser	£23,803
Healthy Lifestyle Coaching	£15,536

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Expenditure

The period of trading was one of 12 months

Staff costs as a whole are in line with expectations as a % of GAG income and in terms of average salary when compared to other similar sized academies

The academy spent £520,000 on maintenance of premises and equipment in the period, which included £377,807 on refurbishment of the ROSLA building and roof works using the ACMF grants received. There were no other individually material projects included within this total.

Educational supplies totalled £233,000 and included £162,000 on educational materials and £36,000 on the hire of swimming and leisure facilities.

Balance sheet

Fixed assets

Land and buildings of £7,500,000 were transferred to the academy on conversion at valuation.

There have been no additions or disposals during the year.

Debtors

Trade debtors include balances due from the EFA (£34,965) and Trafford College (£6,460). The amount due to the EFA was paid after the year end. The amount to Trafford College will be paid.

VAT recoverable of £37,388 was in respect of the months of July and August. The balance was recovered after the year end.

There was no prepayment of the annual sports hall charge this year, the 2012 prepayment was £21,000.

Bank

The decrease in funds for the year reflects the surplus for the year when adjusted for non-cash movements such as depreciation, and losses on defined benefit pension schemes. The decrease is due largely to repayment of the £162,758 deficit due to FGHS on conversion.

Included within the balance sheet total are balances in respect of the school fund totalling £18,552.

Creditors

Trade creditors relate to a number of balances in respect of the building and computer network system carried out during August, and the services of Trafford Council both for curriculum and support services.

Other creditors in the prior year related to a balance due to FGHS which has been fully repaid in the year. Other creditors in the current year relates to an additional charge in respect of LGPS which is repayable over 5 years.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

The fall in the balance of accruals and deferred income relates particularly to deferred income. Last year's deferred income included £44,800 for the ACMF project, £30,100 pupil premium, £16,600 WWCG Family Project and £13,900 School Games Organiser.

Pension scheme liability

LGPS pension liability provision has decreased by £53,000

Financial and risk management objectives and policies

The academy has developed risk management procedures as outlined above. The trustees have assessed the major risks to which the academy is exposed and a formal review of the trust's risk management process is currently being undertaken under a rolling programme of risk management, with the external assistance of health and safety consultants.

Principal risks and uncertainties

The Flixton Girls' School Academy Trust is in process of adopting a risk management policy and creating a risk register and risk review process. The objectives will be to determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are

- an organisational structure with defined roles, responsibilities and authorisation levels,
- terms of reference for the committees of the board of trustees,
- financial planning, budgeting and regular management reporting highlighting areas of financial risk,
- formal written and published policies for employees, and
- vetting procedures as required by law for the protection of the vulnerable

The academy has recognised its share of the local government pension scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 17. A deficit has been recognised at 31 August 2013. Future contribution rates are adjusted so as to reduce this deficit.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. Although the trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £344,916, this has been restricted by the deficit in previous years and the funding reductions due to the falling pupil numbers. The considered reserves would create sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund) is £61,000.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Plans for future periods

Strategic development framework

The planning framework takes account of all the activities of the school as a business and is presented under three areas linked to our founding principles

Part one: Aspiration

Teaching and Learning Priorities (TLPs)

For Faculties, Houses and SLT

TLP1: To secure consistently high quality teaching and learning, marking and feedback leading to:

- a at least 75% 5+ A* to C including E & M,
- b an increase in % A* and A grades across the board,
- c a significantly reduced gap in attainment of SA+ students, and
- d progress of all vulnerable groups thereby 'closing the gap'

TLP2: To generate in the girls "...a thirst for knowledge and a love of learning.. " through:

- a a dynamic curriculum and enrichment programme,
- b effective assessment strategy in light of DfE changes to both the national curriculum and the national examinations and assessment framework KS1 to KS5, and
- c outstanding behaviour for learning

TLP3: To develop numeracy, use of ICT and literacy'

- a improve spelling, punctuation and grammar (SPG),
- b raise average reading ages, and
- c. improve access to the new curriculum, examinations and assessment framework

TLP4: To develop the 6th form offer and increase participation through excellent Careers IAG, TAG provision and the Graduate Programme and in partnership with Trafford College and universities

TLP5: To develop a collaborative, research based approach to self-evaluation and school improvement

Part two. Empowerment

Services development to facilitate the delivery of the Teaching and Learning Priorities

For SLT & Support Teams Administration, Business Development, Finance, Network & Facilities, HR, Learner Services

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Sustainability.

S1: Business development: LF/JBR

- a To further develop our strategic partnership with the AGGS teaching school alliance and school to school support
- b To develop partnerships which provide greater opportunities, generate resources and benefit students
- c To identify, protect and capitalise on our Intellectual Property
- d To further develop our intelligent approach to marketing and communications
- e To develop our Alumni to safeguard our heritage and invest in our future

S2: Curriculum development: DT

- a To review and develop the curriculum in light of national curriculum changes to KS3 and KS4 and taking account of changes to KS1, 2 and 5
- b To sustain and extend specialism impact to include STEM and Arts
- c To provide curriculum and timetable structures which facilitate high achievement

S3: Environmental development: SLT

- a To deliver services through ethically, environmentally and socially responsible strategies
- b To provide a physical interior and exterior learning environment that is stimulating, dynamic, flexible and interactive
- c To develop a resilient emotional environment for all stakeholders where social, moral, spiritual and cultural understanding is optimised

S4: Social development: DAT/DT

- a To close gaps in achievement across all vulnerable groups, delivering social mobility through a robust and contemporary approach to safeguarding and intervention with impact
- b To develop projects and partnership work under the umbrella of the Flixton Well Woman Trust that remove barriers to learning
- c To develop our collective social conscience through extensive community and charity projects
- d To further embed enterprise and employability capabilities
- e To develop further, leadership at all levels of the school community including staff and students

S5: Technological development: SS/LF/TBR

- a To provide an environment that develops independent learners via a research driven curriculum
- b To facilitate access to knowledge and learning communities, giving learners the opportunity to work spontaneously, independently, collaborative, and creatively
- c To empower learners to achieve their individual potential, and facilitate a creative and flexible approach to teaching and learning, with the opportunity for curriculum development leading to success
- d. To provide for the intelligent use of data by all for the purpose of improvement and delivering the Strategic School Priorities, Sustainability and Professional Standards

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

S6 Financial development: RBA

- a To optimise creative financial thinking, reduce fixed costs, maximise efficiencies and sweat the assets thereby releasing maximum funding for investment, research and development
- b To take a zero-based, needs-based approach to budgeting including a review of the support staff structure
- c To provide training for all budget holders which enables them to maximise their resources through creative solutions
- d To re-develop the catering provision through an effective, self-financing business plan

S7 Professional development: LF

- a To facilitate personalised development programmes
- b To ensure a high quality and robust new staff induction for ITTs NQTs RQTs and experienced new teaching and support staff
- c To provide opportunities for staff to deliver training for other staff both internal and external
- d To develop mutual professional respect and understanding through a programme of work shadowing
- e To provide opportunities for professional development through a creative staffing structure
- f To develop leadership potential at all levels

Part three Excellence

Professional standards and ethos for all staff at FGS

Quality Assured by the Strategic Leadership Team

PS1 All staff deliver "The Flixton Way" professional standards to ensure a high quality experience

PS2 All teachers deliver academic excellence and high quality teaching and learning through:

- a Research both academic and action research
- b The delivery of and engagement with high quality CPD
- c The development of stimulating professional learning communities

PS3 To sustain well-informed, challenging and supportive governance

PS4 To use performance related pay and appraisal as opportunities to secure and celebrate outstanding outcomes.

PS5 To utilise identified Quality Marks in the maintenance, pursuit and delivery of excellence:

- a. Existing:
 - Youth Sport Trust Gold Partner
 - National Enterprise Award
 - Arts Mark Gold
 - International Award

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

b. New for this year:

- Inclusion Quality Mark
- NACE award (lapsed) (provision for TAG students)
- Equalities Award

PS6 To ensure all activities successfully convey and embody the founding principles and provide brand loyalty including:

- a Conduct of staff and students
- b Curriculum and enrichment
- c Curriculum design and delivery
- d Promotional literature and published articles
- e All internal services and all school events
- f Partnership working

PS7 Maintain and develop the FGS national and local profile and partnerships to:

- a Promote the good work of the school
- b Secure trust and inspire confidence of all stakeholders
- c Provide greater opportunities for students and staff

PS8 Secure FGS as a school of first choice for parents of all girls in the catchment and beyond:

Flixton Girls' School aims to provide a structure for continuous improvement and achievement at both Key Stage 3 and Key Stage 4


Auditors

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The audit business HW, Chartered Accountants has been appointed as the company's auditor. The audit report has therefore been issued by HW, Chartered Accountants.

The report of the trustees was approved by the trustees on 17 December 2013 and signed on their behalf by B Jones, chair of trustees.

... 

B Jones

Chair of trustees

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Flixton Girls' School Academy Trust 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 headteacher, 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 Flixton Girls' School Academy Trust 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 statement of trustees' responsibilities. The board of trustees has met 4 times during the period. Attendance during the meetings of the full board of trustees was as follows:

Trustee	Meetings attended	Out of possible
B Jones (Chair of Trustees) (Director)	4	4
R Tyrer (Vice Chair) (Director)	2	4
J Hazeldine (Headteacher) (Director)	4	4
C Bates	3	4
S Barrett (Director)	3	4
R Corke (Director)	0	4
T Field (Director)	4	4
E Jundi (Director)	3	4
H Lockett (Director)	4	4
R Martin (Director)	4	4
J Reilly (Director)	3	4
D Richardson (Director)	3	4
J Robinson (Director)	3	4
E Steel (Director)	3	4
K Woods (Director)	2	2

The Business & Finance committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finance of the academy.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

Attendance at meetings in the period was as follows

Trustee	Meetings attended	Out of possible
B Jones (Chair of Trustees) (Director)	5	6
R Tyrer (Vice Chair) (Chair of Committee) (Director)	5	6
J Hazeldine (Headteacher) (Director)	6	6
T Field (Director)	5	5
J Robinson (Director)	4	5

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 the academy's 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 Flixton Girls' School Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Strategic Leadership Team is involved in the risk management process considering falling pupil number rolls and other potential risks throughout the year. Staff are encouraged to manage risk in a way appropriate to their authority and duties.

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, 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 on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statement. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal 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 system with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular review by the business and finance 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 defining purchasing (assets purchase or capital investment) guidelines,
- delegation of authority and segregations of duties,
- identification and management of risks

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed HCSS Education as responsible officer (RO). The RO role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO 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.

The RO completed her most recent review in September 2013 and reported that there were no material control issues.

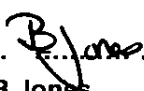
Review of effectiveness

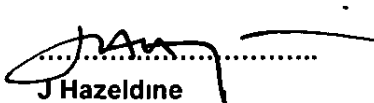
As accounting officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the leadership and management within the academy trust who have responsibility for the development and maintenance of the internal control framework,
- the work of the business and finance committee,
- the work of the responsible officer,
- the work of the external auditors,
- the financial management and governance self-assessment process

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17 December 2013 and signed on its behalf by


.....
B Jones
Chair of trustees


.....
J Hazeldine
Accounting officer

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2013

As accounting officer of Flixton Girls' School Academy Trust, I have considered my responsibility to notify the academy trust's board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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


J Hazeldine
Accounting officer

17 December 2013

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2013

The trustees (who act as trustees of Flixton Girls' School Academy Trust and are also 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 applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency

Company law requires the trustees to prepare financial statements for each financial year, which 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 the year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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.

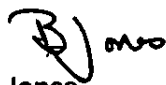
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees 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 17 December 2013 and signed on its behalf by



B Jones

Chair of trustees

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLIXTON GIRLS' SCHOOL ACADEMY TRUST

YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Flixton Girls' School Academy Trust Limited 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 Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 25, the trustees (who are also the directors of the academy trust 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 (APB'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 trust'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 trust'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.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLIXTON GIRLS' SCHOOL ACADEMY TRUST *(continued)*

YEAR ENDED 31 AUGUST 2013

Opinion on other matter prescribed by the Companies Act 2006

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

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

JOHN WHITTICK (Senior Statutory Auditor)

For and on behalf of

HW

Chartered Accountants

& Statutory Auditor



Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

17 December 2013

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FLIXTON GIRLS' SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 18 November 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 Flixton Girls' School Academy Trust 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 Flixton Girls' School Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Flixton Girls' School Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Flixton Girls' School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Flixton Girls' School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Flixton Girls' School Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 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 trust's income and expenditure.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FLIXTON GIRLS' SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY *(continued)*

YEAR ENDED 31 AUGUST 2013

The work undertaken to draw our conclusions includes

- We have confirmed that the activities conform to the academy trust's framework of authorities As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FLIXTON GIRLS' SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY *(continued)*

YEAR ENDED 31 AUGUST 2013

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 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

HW, Chartered Accountants

Bridge House

157A Ashley Road

Hale

Altrincham

Cheshire

WA14 2UT

17 December 2013

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 AUGUST 2013

		Unrestricted	Restricted	Restricted	Total	Total
	Note	funds	general	fixed	2013	2012
		£000	funds	asset	£000	£000
			£000	funds		
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3	28	41	-	69	-
Transfer from local authority on conversion		-	-	-	-	7,729
Activities for generating funds	4	169	-	-	169	185
Incoming resources from charitable activities						
Funding for the academy's educational operations	5		4,860		4,860	5,111
Total incoming resources		197	4,901	-	5,098	13,025
Resources expended						
Cost of generating funds						
Costs of generating voluntary income	7	84	-	-	84	122
Charitable activities						
Academy's educational operations	8	-	5,088	140	5,228	5,168
Governance costs	9	-	14	-	14	41
Other resources expended						
Transfer from local authority on conversion		-	-	-	-	549
Total resources expended	6	84	5,102	140	5,326	5,880
Net incoming/(outgoing) resources before transfers		113	(201)	(140)	(228)	7,145
Gross transfers between funds	17	(153)	153	-	-	-
Net income/(expenditure) for the year		(40)	(48)	(140)	(228)	7,145
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	17,25	-	119	-	119	(287)
Net movement in funds		(40)	71	(140)	(109)	6,858
Reconciliation of funds						
Funds brought forward to 1 September 2012	17	81	(671)	7,448	6,858	-
Funds carried forward at 31 August 2013		41	(600)	7,308	6,749	6,858

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

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	13		7,308		7,448
Current assets					
Debtors	14	173		133	
Cash at bank and in hand		<u>245</u>		<u>385</u>	
		418		518	
Creditors: Amounts falling due within 1 year	15	<u>316</u>		<u>435</u>	
Net current assets			<u>102</u>		<u>83</u>
Creditors Amounts falling due after 1 year	16		(41)		-
Total assets less total liabilities			7,369		7,531
Net assets including pension liability					
Pension scheme liability	25		620		673
Net assets including pension liability			<u>6,749</u>		<u>6,858</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	17		7,308		7,448
General fund(s)	17		20		2
Pension reserve	17		<u>(620)</u>		<u>(673)</u>
Total restricted funds			6,708		6,777
Unrestricted funds					
General fund	17		<u>41</u>		<u>81</u>
Total funds			<u>6,749</u>		<u>6,858</u>

The financial statements on pages 31 to 49 were approved by the trustees, and authorised for issue on 17 December 2013 and are signed on their behalf by


B Jones
 Chair of trustees

Company limited by guarantee, registration number 07691820

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash (outflow)/inflow from operation activities	20	(140)	385
(Decrease)/Increase in cash in the year	20	<u>(140)</u>	<u>385</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		385	-
Net funds at 31 August 2013		<u>245</u>	<u>385</u>

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

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

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

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 have made their assessment in respect of a period of one year from the date of approval of the financial statements and confirm that going concern is appropriate for the academy.

Incoming resources

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

Grants receivable

Grants are included in the statement of financial activities on an accruals 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

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.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies (*continued*)

Resources expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy's educational operations.

Governance costs

These 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.

Tangible fixed assets

Assets costing £1,000 or more whether an individual item or part of a capital project are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful lives, as follows:

Freehold land	Nil
Freehold buildings	50 years
Furniture and equipment	7 years
ICT equipment	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies (*continued*)

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term

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.

Pensions benefits

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 25, 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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

3 Voluntary income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Private sponsorship	-	41	-	-
Other donations	28	-	-	-
	28	41	-	-

4 Activities for generating funds

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Hire of facilities	22	-	-	19
Trips and visits	47	-	-	78
Sales and charges	100	-	-	88
	169	-	-	185

5 Funding for academy's educational operations

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	4,139	-	4,852
Start up grants	-	-	-	25
Capital grants	-	383	-	19
Other DfE/EFA grants	-	153	-	35
	-	4,675	-	4,931
Other government grants				
Local authority grants	-	118	-	136
Special educational projects	-	67	-	44
	-	4,860	-	5,111

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

6 Resources expended

	Non pay expenditure				
	Staff costs	Premises	Other costs	Total	Total
	£000	£000	£000	2013	2012
				£000	£000
Costs of generating voluntary income	-	-	84	84	122
Costs of activities for generating funds					
Academy's educational operations					
Direct costs	2,824	126	518	3,468	3,866
Allocated support costs	629	14	987	1,630	1,302
	3,453	140	1,589	5,182	5,290
Cost of deficit transferred	-	-	-	-	163
Additional pension cost	130	-	-	130	-
Cost of pension deficit transferred	-	-	-	-	386
Governance costs including allocated support costs	-	-	14	14	41
	3,583	140	1,603	5,326	5,880

The method used for the apportionment of support costs is disclosed in the accounting policies

Incoming/outgoing resources for the year include:	2013	2012
	£000	£000
Operating leases	-	53
Fees payable to auditor		
Audit	6	6

7 Costs for generating income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Shop purchases and uniforms	30	-	-	41
School activities	54	-	-	81
	84	-	-	122

8 Charitable activities - academy's educational operations

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Direct costs				
Teaching and educational support staff costs	-	2,729	-	2,976
Depreciation	-	-	126	137
Educational supplies	-	233	-	314
Examination fees	-	77	-	106
Staff development	-	31	-	80
Educational consultancy	-	45	-	30
Information technology	-	125	-	-
Agency supply costs	-	95	-	216
Other direct costs	-	7	-	7
	-	3,342	126	3,866

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

8 Charitable activities - academy's educational operations (continued)

	Unrestricted	General	Fixed	
	funds	restricted	asset	
	2013	2013	restricted	Total
	£000	£000	funds	2012
			2013	£000
Allocated support costs				
Support staff costs	-	597	-	620
Additional pension costs	-	130	-	-
Depreciation	-	-	14	15
Recruitment and support	-	-	-	7
Maintenance of premises and equipment	-	520	-	205
Cleaning	-	102	-	111
Rent & rates	-	35	-	34
Catering	-	31	-	21
Energy costs	-	79	-	64
Insurance	-	39	-	44
Transport	-	26	-	7
Bank interest and charges	-	-	-	-
Other support costs	-	99	-	67
Advertising	-	22	-	31
Telephone	-	8	-	7
Printing, postage and stationery	-	26	-	47
Agency supply	-	32	-	22
	-	1,746	14	1,302
	-	5,088	140	5,168

9 Governance costs

	Unrestricted	General	Fixed	
	funds	restricted	asset	
	2013	2013	restricted	Total
	£000	£000	funds	2012
			2013	£000
Support costs	-	6	-	3
Auditor's remuneration	-	-	-	-
Audit of financial statements	-	6	-	6
Conversion costs	-	-	-	29
Trustees' costs	-	2	-	3
	-	14	-	41

10 Staff costs

	2013	2012
	£000	£000
Staff costs during the period were		
Wages and salaries	2,735	2,973
Social security costs	204	216
Pension costs	503	407
	3,442	3,596
Supply teacher costs included within the payroll	18	-
Compensation payments	30	-
	3,490	3,596

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

10 Staff costs (continued)

Supply staff agency costs were £93,000 (2012 £238,000)

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

	2013 Number	2013 Full-time equivalent	2012 Number	2012 Full-time equivalent
Charitable activities				
Teachers	58	48	58	48
Administration and support	42	31	43	30
Management	8	8	8	8
	<u>108</u>	<u>87</u>	<u>109</u>	<u>86</u>

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

	2013 Number	2012 Number
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for this staff member amounted to £13,106 (2012 £13,519)

11 Related party transactions - trustees' remuneration and expenses

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

J Hazeldine (principal and trustee)	£90k - £95k (2012 £95k - £100k)
R Martin (staff trustee)	£45k - £50k (2012 £45k - £50k)
H Lockett (staff trustee)	£20k - £25k (2012 £20k - £25k)

During the year ended 31 August 2013 no travel and subsistence expenses totalling were reimbursed to trustees (2012 - £nil). Related party transactions involving the trustees are set out in note 26

12 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2013 is included in the total insurance cost

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

13 Tangible fixed assets

	Freehold land & buildings £000	Furniture & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012	7,500	70	30	7,600
At 31 August 2013	7,500	70	30	7,600
Depreciation				
At 1 September 2012	130	11	11	152
Charged in year	120	10	10	140
At 31 August 2013	250	21	21	292
Net book values				
At 31 August 2013	7,250	49	9	7,308
At 31 August 2012	7,370	59	19	7,448

14 Debtors

	2013 £000	2012 £000
Trade debtors	47	7
VAT recoverable	38	12
Other debtors	-	6
Prepayments and accrued income	88	108
	173	133

15 Creditors amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	120	12
Other creditors	21	163
Accruals and deferred income	175	260
	316	435

Deferred income

	2013 £000	2012 £000
Deferred income at 1 September 2012	135	135
Resources deferred in the year	74	-
Amounts released from previous years	(135)	-
Deferred income at 31 August 2013	74	135

16 Creditors: amounts falling due after one year

	2013 £000	2012 £000
Other creditors	41	-
	41	-

Other creditors relates to additional LGPS contributions required This is repayable over 3 years

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Funds	Balance at 1.9 12 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31.8 13 £000
Restricted general funds					
General Annual Grant (GAG)	2	4,139	(4,349)	153	(55)
Start Up Grant	-	-	-	-	-
Other DfE/EFA grants	-	153	(78)	-	75
Local Authority Grants	-	118	(118)	-	-
Special educational project	-	67	(67)	-	-
Devolved formula capital	-	5	(5)	-	-
AMCF	-	378	(378)	-	-
Insurance claim	-	41	(41)	-	-
	2	4,901	(5,036)	153	20
Pension reserve	(673)	-	(66)	119	(620)
Restricted fixed asset funds					
Donation	7,448	-	(140)	-	7,308
Total restricted funds	6,777	4,901	(5,242)	272	6,708
Unrestricted funds	81	197	(84)	(190)	4
Designated wireless project	-	-	-	37	37
Total funds	6,858	5,098	(5,326)	119	6,749

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

18 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	7,308	7,308
Current assets	123	295	-	418
Current liabilities	-	(316)	-	(316)
Liabilities due greater than 1 year	-	(41)	-	(41)
Pension scheme liability	-	(620)	-	(620)
Total net assets	123	(682)	7,308	6,749

19 Financial commitments

Operating leases

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

	2013 £000	2012 £000
Land and buildings	-	-
Other	-	-
Expiring within one year	-	53
	-	53

20 Reconciliation of net income to net cash inflow from operating activities

	2013 £000	2012 £000
Net (expenditure) / income	(159)	7,145
Depreciation (note 13)	140	152
Donation	-	(7,600)
FRS 17 pension cost less contributions payable (note 25)	66	-
Pension fund transferred	-	386
(Increase) in debtors	(40)	(133)
(Decrease)/increase in creditors	(147)	435
Net cash inflow from operating activities	(140)	385

21 Capital expenditure and financial investment

	2013 £000	2012 £000
Purchase of tangible fixed assets	-	(7,600)
Donations	-	7,600
Net cash outflow from capital expenditure and financial investment	-	-

22 Analysis of changes in net funds

	At 1.09.12 £000	Cash flows £000	At 31.8.13 £000
Cash in hand and at bank	385	(140)	245

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the funding agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy, and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

25 Pension and similar obligations

The academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (*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, 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 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

FLIXTON GIRLS' SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations *(continued)*

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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £223,000, of which employer's contributions totalled £154,000 and employees' contributions totalled £69,000. The agreed contribution rates for future years are unconfirmed.

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 year. 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.

Principal actuarial assumptions	At 31.8.13	At 31.8.12
Rate of increase in salaries	4.60%	4.00%
Rate of increase for pensions in payment / inflation	2.80%	2.20%
Discount rate for scheme liabilities	4.60%	4.10%
Expected return on assets	5.90%	4.80%

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Change in assumptions at 31 August 2012	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	13%	76
1 year increase in member life expectancy	3%	17
0.5% increase in the salary increase rate	6%	33
0.5% increase in the pension increase rate	7%	40

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (continued)

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

	At 31.8.13	At 31.8.12
Retiring today		
Males	20.1	20.1
Females	22.9	22.9
Retiring in 20 years		
Males	22.5	22.5
Females	25	25

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

	Expected return at 31.8.13	Fair value at 31.8.13 £000	Expected return at 31.8.12	Fair value at 31.8.12 £000
Equities	6.60%	1,523	5.50%	1,120
Bonds	3.90%	381	3.40%	325
Property	4.70%	127	3.70%	81
Cash	3.60%	85	2.80%	97
Total market value of assets		2,116		1,623
Present value of scheme liabilities				
- Funded		(2,736)		(2,296)
Surplus/(deficit) in the scheme		(620)		(673)

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

The actual return on scheme assets was £ 270,000 (2012 £45,000)

Amounts recognised in the statement of financial activities

	2013 £000	2012 £000
Current service cost (net of employee contributions)	203	178
Past service cost	-	-
	203	178

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(83)	(100)
Interest on pension liabilities	100	105
Pension finance income / (costs)	17	5

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £620,000 loss (2012 £673,000 loss)

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

	2013	2012
	£000	£000
At 1 September	2,296	1,738
Current service cost	203	178
Past service cost	-	-
Interest cost	100	105
Employee contributions	69	72
Actuarial loss	68	203
At 31 August	<u>2,736</u>	<u>2,296</u>

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

	2013	2012
	£000	£000
At 1 September	1,623	1,352
Expected return on assets	83	100
Actuarial gain/(loss)	187	(57)
Employer contributions	154	156
Employee contributions	69	72
At 31 August	<u>2,116</u>	<u>1,623</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £151,000

The five-year history of experience adjustments is as follows:

	2013	2012
	£000	£000
Present value of defined benefit obligations	(2,736)	(2,296)
Fair value of share of scheme assets	2,116	1,623
Surplus/(Deficit) in the scheme	<u>(620)</u>	<u>(673)</u>
Experience adjustments on share of scheme assets	<u>187</u>	<u>(57)</u>
Experience adjustments on scheme liabilities:	<u>-</u>	<u>-</u>

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

FLIXTON GIRLS' SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

26 Related party transactions

Trustees who are also members of staff of the academy have been paid in accordance with national agreed levels as members of staff. There have been no other transactions with related parties that require reporting under FRS8.

Owing to the nature of the academy trust'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 trustee has an interest. All transactions involving such organisations are conducted at arms' length and in accordance with the academy trust's financial regulations and normal procurement procedures.