

# REGISTRAR OF COMPANIES

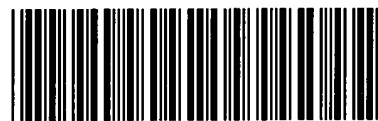
## Norbury Manor Business and Enterprise College for Girls

### Annual Report and Financial Statements

31 August 2017

Company Limited by Guarantee  
Registration Number  
07843573 (England and Wales)

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## Reference and administrative information

**Members**  
M Turner  
I Hamilton-Bower  
M Hamilton  
K Hume  
J Ralphs  
D Rose

**Governors**  
M Turner, Chair of Governing Body  
K Hume, Chair of Premises Committee  
J Chandler, Chair of Resources Committee & Vice Chair of Governing Body  
M Miller, Chair of Admissions, Education and Curriculum  
A Husain, Parent Governor  
H Sanson, Parent Governor  
T Wiles, Parent Governor  
S Nath, Member-appointed Governor  
A Compton, Headteacher and Accounting Officer  
P Harris, Staff Governor & Vice Chair of Premises Committee

### Senior Management Team

<b>Headteacher</b>	Amanda Compton
<b>Deputy Headteacher</b>	Tracey Scarsbrook
<b>Deputy Headteacher</b>	Christine Evans
<b>Acting Deputy Headteacher</b>	Markieu Hayden,
<b>Assistant Headteacher</b>	Caitlin Roberts
<b>Assistant Headteacher</b>	Angharad Ryder-Owen
<b>Assistant Headteacher</b>	Vanessa Hardwick
<b>School Business Manager</b>	Winnie Kinnon

**Company Secretary** W Kinnon

**Headteacher** A Compton

**Operating address**  
Kensington Avenue  
Thornton Heath  
Croydon  
Surrey  
CR7 8BT

## Reference and administrative information

**Registered address** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Company registration number** 07843573 (England and Wales)

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** National Westminster Bank plc  
1393 London Road  
Norbury  
London  
SW16 4XF

Metro Bank  
One Southampton Row  
London  
WC1B 5HA

## **Governors' report** Year to 31 August 2017

The Governors of Norbury Manor Business and Enterprise College for Girls ('the College') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2017. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 31 of the attached financial statements and comply with the College's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The College is a company limited by guarantee and an exempt charity. It was incorporated in November 2011 and under the terms of a Funding Agreement entered into with the Secretary of State for Education, became an academy on 1 January 2012. The charitable company's memorandum and articles of association are the primary governing documents of the College.

The Governors act as the trustees for the charitable activities of Norbury Manor Business and Enterprise College for Girls and are also the directors of the charitable company for the purposes of company law.

#### **Members' liability**

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

#### **Governors' indemnities**

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

#### **Principal activities**

The main objective of the College is to provide a high quality education for girls between the ages of 11-19 in Croydon and the surrounding area. The College aims to develop students as well rounded individuals who will become active citizens of the future.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Governors**

The Governors are directors of the charitable company for the purposes of the Companies Act 2006. The following Governors were in office at 31 August 2016 and served throughout the year except where shown.

<b>Trustee</b>	<b>Appointed/Resigned</b>	<b>Position on board</b>
M Turner		Chair of Governing Body
K Hume		Chair of Premises Committee
J Chandler		Chair of Finance Committee & Vice Chair of Governing Body
M Miller		Chair of Admissions, Education and Curriculum Committee
A Compton		Headteacher
P Harris		Staff Governor & Vice Chair of Premises Committee
A Husain		Parent Governor
H Sanson	Appointed 13/3/2017	Parent Governor
N Gallimore	Resigned 8/09/2017	Staff Governor
M Iqbal	Resigned 26/06/2017	Community Governor
S Nath	Appointed 12 December 2016	Member-appointed Governor
A Seigel	Appointed 12/12/2016 Resigned 5/09/2017	Member-appointed Governor
T Wiles	Appointed 13/03/2017	Parent Governor

**Method of recruitment and appointment or election of Governors**

The Governors are appointed under the terms of the College's articles of association which states that there must be:

- ◆ a minimum of two parent governors;
- ◆ any governors elected by the Secretary of State for Education; and
- ◆ up to 3 co-opted governors.

The term of office for any governor shall be four years. The Headteacher's term of office runs parallel with her contract of employment. Subject to remaining eligible to be a particular type of Governor any Governor may be re-appointed or re-elected.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Policies and procedures adopted for the induction and training of Governors**

During the period under review the Governors held 15 meetings of the board and sub-committees. The training and induction provided for new Governors will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new Governors are given a tour of the College and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and as the directors of the charitable company.

### **Organisational structure**

The charitable company has established a management structure to enable its efficient running. The structure consists of two levels; the Governors and the Senior Management Team.

The Governing Body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders and terms of reference.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the charitable company by use of budgets and making major decisions about the direction of the charitable company, including capital expenditure and senior staff appointments.

### **Arrangements for setting pay and remuneration of key management personnel**

The key management personnel are considered to be the trustees and Senior Management Team. Trustees are not remunerated for their roles as trustees. All staff (including senior management) are subject to the College's performance management pay policy. Senior staff are assessed against leadership standards, their own personal targets, the outcomes for their students in lesson observations. Personal targets are linked to the whole school targets from the Development Plan and the performance management review process has been fully interrogated by the Governing Body.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The principle object and activity is to raise the standard of educational achievement for all pupils.

The College aims to:

- ◆ support the development of every individual by providing opportunities and experiences that will support the development of the students' understanding and knowledge in a broad range of subjects while supporting the students through a strong pastoral system that values the diversity of the students and recognises each individual's needs;

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objects and aims (continued)**

- ◆ ensure it is involved with a wide range of stakeholders and that students understand their part and participate in local, national and international communities;
- ◆ ensure that the facilities it has are used to support its students and the local community; and
- ◆ provide value for money for the funds expended and to ensure that all statutory requirements are met.

### **Objectives, strategies and activities**

The charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the College and that the curriculum should comply with the substance of the national curriculum.

### **Activities for achieving objectives**

The key activity for the year ended 31 August 2017 was the general running of the College.

### **Public benefit**

The College's object is "to advance for the public benefit education in the United Kingdom, in particular and without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum" (Articles of Association).

In setting the College's objectives and planning its activities, the Board of Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

### **Achievements and performance**

In the academic year 2016/17 the College achieved results significantly above the national average. At GCSE 75% of students achieved the new benchmark of a grade 4 or above in Maths and English. This is significantly above the national average. In addition to this 27% of grades awarded were at A/A\* level with over two thirds of students gaining one or more A/A\* grade. At A level just under half the grades students achieved were at A\*/B grades and over 75% were at A\*-C grade (this is an increase on the previous year of 2% and 9% respectively).

In data published by the Department for Education, the College was placed in the top category for schools based on progress for students (i.e. in the top 12% of schools nationally).



**Achievements and performance (continued)**

***Review of activities***

The College continues to focus on delivering outstanding teaching and supports staff development and the initial teacher training programme. In the College there is a clear focus on pastoral support for students and ensuring they are offered a wide range of extra curricular activities alongside our own "Deep Learning Days" to promote independence and a love of learning.

**Outcomes for pupils** – The College has been focusing on delivering the highest quality teaching that stretches and challenges all students. The College has developed a more focused approach to ensure that stretch and challenge is provided to more able, gifted and talented students and this is reflected in the improved results of more able students. Support was provided to the less able through in-class and out of lesson support and the provision of a range of intervention and support that is led by a senior member of staff. Students are tracked carefully through both Key Stage 3 and 4 and appropriate and effective interventions put in place when required.

**Quality of teaching, learning and assessment** – Lesson observations during the year have seen more than half of lessons graded as outstanding. The school has a robust system in place to review the quality of teaching and learning and further support the development of outstanding teaching. Staff undertake a wide range of professional development, much around their own specialist subject but also around leadership development, including staff completing Middle leadership training, the NPQSL and MAs. Senior Management regularly review the quality of teaching across a range of criteria and coaching/support is provided to staff when areas are identified that can be strengthened. A key feature this year has been to embed the new curriculum content and assessment methods for the revised Maths and English courses at GCSE and the new linear specifications at A level.

**Personal Development, Behaviour and Welfare** – The College ensures that students have a full range of support in their PSHE lessons, assemblies, through P4C (Philosophy for Children), in subject classes and by undertaking a range of staff training to cover relevant issues that students may face (e.g. FGM, CME, forced marriage, radicalisation, autism, hearing difficulties, achondroplasia) and through the input from the pastoral structure that includes Heads of Year, Pastoral Leaders, Mentors, LSAs and TAs. The College engages with external agencies to provide a holistic approach to its students' welfare.

**Effectiveness of 16-19 study programmes** – The College sixth form offers a broad range of A levels and some vocational qualifications. Results in the sixth form improved in the academic year with 46% of grades at A\*-B and a 99% pass rate.

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**Achievements and performance** (continued)

**Review of activities** (continued)

**Effectiveness of Leadership and Management** –The College staff and Governors are clear about the aims of the College and support fully its development, they hold staff to account and also undertake relevant training. Robust self-evaluation drives the College improvement plan and all stakeholders play a part in this process. The College was inspected in June 2017 and was graded Good in all categories.

**Ethos, strategy and policies**

The College has a strong ethos and the following mission statement;

*"Norbury Manor is a unique community where all students and staff are valued as individuals. We draw strength from our diversity and take pride in our cultural richness and utilise both in preparing students to embrace their places in the local and global communities.*

*At Norbury Manor, we aim to enable all students to live full and active lives. We promote the value of knowledge and push every student to fulfil their academic potential. We are committed to providing a curriculum which helps to develop self confidence, healthy living and strong communication and leadership skills.*

*We are dedicated to preparing students for the future – to developing confident, motivated and resilient independent learners. Norbury Manor students are encouraged to establish a strong sense of self-worth; they become articulate young adults who are both creative and enterprising."*

**Financial review**

**Financial report for the year**

During the year ended 31 August 2017, total income (excluding fixed asset fund income) was £6,830,000 (2016 - £6,741,000) and total expenditure (excluding depreciation) was £7,304,000 (2016 - £7,003,000). The excess of expenditure over income for the period (excluding restricted fixed asset funds and pension scheme adjustments and before transfers) was £320,000 (2016 - £286,000).

At 31 August 2017 the net book value of fixed assets was £20,362,000 (2016 - £20,789,000).

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The results for the year are shown on page 23.

**Reserves policy**

The College held fund balances at 31 August 2017 of £19,280,000 (2016 - £19,461,000) comprising £399,000 (2016 - £249,000) of unrestricted general funds and £18,881,000 (2016 - £19,212,000) of restricted funds which includes the pension reserve deficit of £1,515,000 (2016 - £2,081,000).

**Financial review** (continued)

***Reserves policy*** (continued)

The College's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £399,000 (2016 - £249,000). It also holds £34,000 of restricted income funds that are expendable on the general running of the school (2016 - £504,000).

The Governing Body adopted and ratified on the 3 July 2017 a Reserves Policy on the appropriate level of reserves to reflect revenue income and on-going commitments. This was set at a level of £300,000 revenue balance.

The combined unrestricted and restricted income fund balances at 31 August 2017 of £433,000 (2016 - £753,000) are adequate to fulfil the obligations of the College and provide a balance against most unforeseen future events. To achieve the development plan objectives and for other major projects, the College remains dependent on the provision of additional fixed asset grants from the ESFA.

The deficit on the pension fund relates to the College's share of the obligations under the Local Government Pension Scheme (LGPS). Any cash flows as a result of this deficit will occur over a number of years.

***Going concern***

After making appropriate enquiries, the Governing Body has a reasonable expectation that the College 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. It has made the assessment in particular with regard to a period of no less than one year from the date of approval of the accounts. Further details regarding the adoption of the going concern basis can be found in the Principal Accounting Policies on page 26.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors have assessed the major risks to which the College is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the College and its finances. The Governors have implemented a number of systems to assess risks that the College faces, especially in the operational areas (e.g. 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 (e.g. 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.

**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

The most significant risks to the College are considered to be:

**A fall in student numbers**

This is addressed by keeping track of any publicity relating to the College and by ensuring that the College is maintaining its quality of provision to remain a secondary school of choice in the area.

**A significant short notice fall in government funding.**

This is considered to be addressed through the College's reserves policy as detailed on page 9.

The College has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

**PLANS FOR FUTURE PERIODS**

The College is actively seeking to expand its student numbers at year 7 to an 8 form entry and in the 6th form. This drive is supported by outstanding academic results in 2017 that place the college in the top 12% of schools nationally for student progress and in the top 3 schools in the local borough for performance. These results are the best the College has ever achieved and follow the recent upward trend in outcomes. The results show that all students succeed at the school regardless of their starting point and clearly point to a direction of travel that the College has of gaining an "Outstanding" accreditation from Ofsted in the future.

The College is having discussions around the formation of a MAT with local primary schools and has already been approved as a sponsor academy by the Regional Schools Commissioner.


The College is already aware that under the new national funding formula it will receive an increase in per pupil funding over the next 4 years and this will support maintaining the current quality of provision.

**AUDITOR**

In so far as the Governors are aware:

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

Governors' report, incorporating a strategic report, approved by order of the members of the Board of Governors on 11 December 2017 and signed on its behalf by:

Governor  MARY TURNER

Date: 11 December 2017

### **Scope of responsibility**

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

The Board of Governors have 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 the College and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Board of Governors and sub-committees formally met for a combined 15 times during the year. Attendance during the year at meetings of the Full Governing Body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Compton	3	3
M Turner (Chair of Governors)	3	3
K Hume	3	3
P Harris	2	3
M Iqbal	—	3
A Seigel	1	2
S Nath	1	2
A Hussain	2	3
M Miller	1	3
J Chandler	3	3
H Sanson	2	2
T Wiles	2	2
N Gallimore	1	3

### **Governance reviews**

The Governing Body undertook a full SWOT analysis in January 2015 and has used this to inform its long term development planning. The Governors undertook a full self-review using an externally provided framework and have reviewed the outcomes from this. An audit of Governor skills was also undertaken. The Governing Body undertake a range of training activities and feedback from these is shared across all members.

The Governing body has restructured to provide for the new responsibility for performance-related pay. They have established a committee to review the College's procedure and to ensure consistency in the judgements made and fairness in the way the policy is applied.

The SWOT analysis is informing the 3 year development plan and a working group including a Governor and the Headteacher are working jointly on this.

**Governance** (continued)

**Governance reviews** (continued)

The Governing Body intends to continue with an annual review as part of its annual development day.

**Finance Committee**

The Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to make sure that the College is following the ESFA's financial regulations. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Chandler (Chair)	3	3
A Compton	3	3
M Turner	2	3
A Hussain	1	2
S Nath	—	2
P Harris	3	3
K Hume	2	3
M Miller	2	3

**Review of Value for Money**

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered and improved value for money during the year in the following ways:

**Staffing**

The College has continued to review its staffing costs for both teachers and support staff to identify savings. This has been achieved organically without the need for restructuring.

**Students**

Vulnerable groups are carefully tracked and there have been improvements in the attendance of the most disadvantaged students. There have been notable improvements in outcomes and the percentage of students achieving the benchmark of a grade 4 or more in both Maths and English is 75% for all students and 74% for disadvantaged students. The school has established student review boards that monitor performance and ensures that interventions are appropriate. The role of the more able and gifted and talented students co-ordinator has increased over the year with time allocated to meet with the students regularly.

**Review of Value for Money** (continued)

**Students** (continued)

The College's performance puts it in the top 12% of schools nationally and disadvantaged students at Norbury Manor do better than non disadvantaged students nationally (source: [compare-school-performance.service.gov.uk](http://compare-school-performance.service.gov.uk)).

**Facilities**

There have been significant decorating works over the year and some improvements to facilities. The College continues to secure lettings income through a series of regular lets at the weekends and some evenings.

**Collaboration**

The College values its role in the local community and has taken part in a local review of the provision of bike spaces. The College is part of:

- ◆ A Primary and Secondary Partnership (PASP) with several local primary schools which supports cross phase developments and sharing of good practice;
- ◆ The Headteacher remains as the Vice Chair of the Fair Access Panel, sits on the Local Safeguarding Board and the Education sub committee of the Safeguarding Board;
- ◆ The College is a member of PiXL, the "Change Through Learning" teaching school alliance and works closely with the Institute for Education in supporting initial teacher training; and
- ◆ Part of Coast to Capital which is a unique business-led collaboration between the private, public and education sectors across a diverse area which includes the London Borough of Croydon, East Surrey, Gatwick Diamond, Brighton & Hove, Lewes and West Sussex.

**Outcomes**

The College achieved consistently above national average outcomes in terms of achievement and progress. The school had no permanent exclusion over the year and absence figures are below national average.

**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 College'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 at the College for the year ended 31 August 2017 and up to the date of approval of this annual report and financial statements.

**Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**The risk and control framework**

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Buzzacott LLP, the external auditor, to perform internal assurance work throughout the year.

This assurance work includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the Board of Governors, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Reports covering all terms have been received by the Finance Committee. No significant issues have been raised.



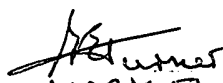
**Review of effectiveness**


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

- ♦ the work of the external auditor;
- ♦ the financial management and governance self-assessment process; and
- ♦ the work of the Senior Management Team within the College who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance Committee of the implications of her 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 Governors 11 December 2017 and signed on their behalf by:

  
MARY TURNER  
(Governor)

  
AMANDA COMPTON  
(Accounting Officer)

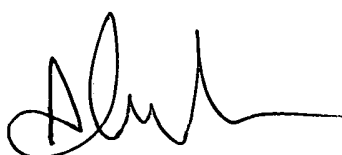
Approved on: 11 December 2017

**Statement of regularity, propriety and compliance 31 August 2017**

As Accounting Officer of Norbury Manor Business and Enterprise College for Girls, I have considered my responsibility to notify the academy trust Board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the academy trust Board of Governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.



AMANDA COMPTON

**Accounting Officer**

Date: 11 December 2017

## Statement of Governors' responsibilities 31 August 2017

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

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


- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 College will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College 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 College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Governors on 11 December 2017 and signed on its behalf by:

Governor   
MARY TURNER

**Independent auditor's report on the financial statements to the Members of Norbury Manor Business and Enterprise College for Girls**

**Opinion**

We have audited the financial statements of Norbury Manor Business and Enterprise College for Girls (the 'charitable company') for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2016 to 2017.

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report including the strategic report has been prepared in accordance with applicable legal requirements.

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

~~In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic report.~~

**Matters on which we are required to report by exception (continued)**

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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



Catherine Biscoe (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

*18 December 2017*

**Independent reporting accountant's assurance report on regularity to Norbury Manor Business and Enterprise College for Girls and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 3 August 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Norbury Manor Business and Enterprise College for Girls during the period from 1 September 2016 to 31 August 2017 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 Norbury Manor Business and Enterprise College for Girls and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Norbury Manor Business and Enterprise College for Girls and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Norbury Manor Business and Enterprise College for Girls and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Norbury Manor Business and Enterprise College for Girls's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Norbury Manor Business and Enterprise College for Girls's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

**Approach (continued)**

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

18 December 2017



**Statement of financial activities (including income and expenditure account) Year to 31 August 2017**

	Notes	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	2017 Total funds £'000	2016 Total funds £'000
<b>Income from:</b>						
Donations and capital grants	1	10	—	24	34	33
Charitable activities						
· Funding for the academy's educational operations	4	128	6,320	—	6,448	6,354
Other trading activities	2	336	34	—	370	350
Investments	3	2	—	—	2	4
<b>Total income</b>		<b>476</b>	<b>6,354</b>	<b>24</b>	<b>6,854</b>	<b>6,741</b>
<b>Expenditure on:</b>						
Charitable activities						
· Academy's educational operations	6	326	6,978	455	7,759	7,528
<b>Total expenditure</b>	5	<b>326</b>	<b>6,978</b>	<b>455</b>	<b>7,759</b>	<b>7,528</b>
<b>Net income (expenditure)</b>		<b>150</b>	<b>(624)</b>	<b>(431)</b>	<b>(905)</b>	<b>(787)</b>
<b>Transfers between funds</b>		<b>—</b>	<b>(4)</b>	<b>4</b>	<b>—</b>	<b>—</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	—	724	—	724	(696)
<b>Net movement in funds</b>		<b>150</b>	<b>96</b>	<b>(427)</b>	<b>(181)</b>	<b>(1,483)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2016		249	(1,577)	20,789	19,461	20,944
<b>Total fund balances carried forward at 31 August 2017</b>		<b>399</b>	<b>(1,481)</b>	<b>20,362</b>	<b>19,280</b>	<b>19,461</b>

All of the Academy's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

**Balance sheet** 31 August 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Fixed assets</b>					
Tangible fixed assets	11		20,362		20,789
<b>Current assets</b>					
Stock		5		7	
Debtors	12	150		152	
Cash at bank and in hand		556		912	
		<u>711</u>		<u>1,071</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(278)		(318)	
<b>Net current assets</b>			<u>433</u>		<u>753</u>
<b>Total net assets excluding pension scheme liability</b>			<u>20,795</u>		<u>21,542</u>
Pension scheme liability	18		(1,515)		(2,081)
<b>Total net assets</b>			<u>19,280</u>		<u>19,461</u>
<b>Restricted income funds</b>					
. Fixed assets fund	14		20,362		20,789
. Restricted income fund	14		34		504
. Pension reserve	14		(1,515)		(2,081)
<b>Total restricted funds</b>			<u>18,881</u>		<u>19,212</u>
<b>Unrestricted income funds</b>					
. General fund	14		399		249
<b>Total funds</b>			<u>19,280</u>		<u>19,461</u>

The financial statements on page 23 to 44 were approved by the Governors, and authorised for issue on 11 December 2017 and are signed on their behalf by:



MARY TURNER

Governor

Norbury Manor Business and Enterprise College for Girls  
Company Limited by Guarantee  
Registration Number: 07843573 (England and Wales)

# Statement of cash flows 31 August 2017

		2017 £'000	2016 £'000
<b>Net cash outflow from operating activities</b>			
Net cash used in operating activities	A	(354)	(210)
<b>Cash flows from investing activities</b>	B	(2)	(10)
<b>Change in cash and cash equivalents in the year</b>		<u>(356)</u>	<u>(220)</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2016		912	1,132
Cash and cash equivalents at 31 August 2017	C	<u>556</u>	<u>912</u>

## A Reconciliation of net expenditure to net cash flow from operating activities

	2017 £'000	2016 £'000
<b>Net expenditure for the year (as per the statement of financial activities)</b>	(905)	(787)
<b>Adjusted for:</b>		
Depreciation (note 11)	455	525
Capital grants from DfE and other capital income	(24)	(24)
Interest receivable (note 3)	(2)	(4)
Defined benefit pension scheme cost less contributions payable (note 18)	113	29
Defined benefit pension scheme finance cost (note 18)	45	50
Increase in stocks	2	(2)
Decrease in debtors	2	20
Decrease in creditors	(40)	(17)
<b>Net cash used in operating activities</b>	<u>(354)</u>	<u>(210)</u>

## B Cash flows from investing activities

	2017 £'000	2016 £'000
Dividends, interest and rents from investments	2	4
Purchase of intangible fixed assets	—	(38)
Purchase of tangible fixed assets	(28)	24
Capital grants from DfE/ESFA	24	—
<b>Net cash used in investing activities</b>	<u>(2)</u>	<u>(10)</u>

## C Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	556	912
<b>Total cash and cash equivalents</b>	<u>556</u>	<u>912</u>

## **Principal accounting policies** Year to 31 August 2017

### **Statement of accounting policies**

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

### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and rounded to the nearest thousand.

### **Going concern**

The Governors assess whether the use of the going concern basis 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 trust to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

### **Grants**

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

## Principal accounting policies Year to 31 August 2017

### **Income (continued)**

#### ***Grants (continued)***

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

#### ***Donations***

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

#### ***Other income***

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

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

#### ***Charitable activities***

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

All resources expended are stated net of recoverable VAT.

## Principal accounting policies Year to 31 August 2017

### **Tangible fixed assets**

Assets costing £2,000 or more 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/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Freehold buildings	2%
◆ Fixtures, fittings and equipment	20%
◆ IT equipment	33%

Depreciation is charged from the month of acquisition.

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.

### **Liabilities**

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

### **Leased assets**

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

## **Principal accounting policies Year to 31 August 2017**

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

### **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 trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

## **Principal accounting policies Year to 31 August 2017**

### **Pensions benefits (continued)**

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

### **Fund accounting**

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

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

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

### **Critical accounting estimates and areas of judgement**

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

### **Critical accounting estimates and assumptions**

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

The useful economic lives of tangible fixed assets have been estimated in line with the policy on page 29.



**Critical accounting estimates and areas of judgement** (continued)

***Critical accounting estimates and assumptions*** (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

***Critical areas of judgement***

No judgements have been made which are considered to have a significant effect on these financial statements.

# Notes to the Financial Statements Year to 31 August 2017

## 1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2017 Total funds £'000	2016 Total funds £'000
Capital grants	—	24	24	24
Donations	10	—	10	9
	10	24	34	33

## 2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Hire of facilities/lettings income	86	—	86	95
Trip income	—	34	34	65
Catering income	192	—	192	178
Miscellaneous income	58	—	58	12
	336	34	370	350

## 3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Interest receivable	2	—	2	4

## 4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	—	5,935	5,935	5,848
Other DfE / ESFA grants	—	376	376	365
	—	6,311	6,311	6,213
<b>Other Government grants</b>				
Local authority grants SEN	—	9	9	18
Special educational projects	—	—	—	16
	—	9	9	34
Other income from the academy trust's educational operations	128	—	128	107
	128	6,320	6,448	6,354

## 5 Expenditure

	Staff costs (note 8) £'000	Premises £'000	Other £'000	2017 Total funds £'000	2016 Total funds £'000
Academy's educational operations:					
. Direct costs	5,001	455	448	5,904	5,669
. Allocated support costs	749	296	810	1,855	1,859
	5,750	751	1,258	7,759	7,528
<b>Net income/(expenditure) for the year includes:</b>					
Operating lease rentals				8	28
Depreciation				455	544
Fees payable to auditor for					
. Audit				11	10
. Other services				2	2

## 6 Charitable activities - academy's educational operations

	2017 Total funds £'000	2016 Total funds £'000
Direct costs	5,904	5,669
Support costs	1,855	1,859
	7,759	7,528
<b>Analysis of support costs</b>	<b>2017 Total funds £'000</b>	<b>2016 Total funds £'000</b>
Support staff costs	749	689
Depreciation	150	173
Technology costs	56	54
Premises costs	296	330
Other support costs	588	597
Governance costs	16	16
<b>Total support costs</b>	<b>1,855</b>	<b>1,859</b>

## 7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2016 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	2016 Total funds £'000
<b>Income from:</b>					
Donations and capital grants	1	9	—	24	33
Charitable activities					
· Funding for the academy's educational operations	4	107	6,247	—	6,354
Other trading activities	2	285	65	—	350
Investments	3	4	—	—	4
<b>Total income</b>		<b>405</b>	<b>6,312</b>	<b>24</b>	<b>6,741</b>
<b>Expenditure on:</b>					
Charitable activities					
· Academy's educational operations	6	287	6,716	525	7,528
<b>Total expenditure</b>	5	<b>287</b>	<b>6,716</b>	<b>525</b>	<b>7,528</b>
<b>Net income (expenditure)</b>		<b>118</b>	<b>(404)</b>	<b>(501)</b>	<b>(787)</b>
<b>Transfers between funds</b>		<b>—</b>	<b>(14)</b>	<b>14</b>	<b>—</b>
<b>Other recognised gains and losses</b>					
Actuarial (losses) on defined benefit pension scheme	18	—	(696)	—	(696)
<b>Net movement in funds</b>		<b>118</b>	<b>(1,114)</b>	<b>(487)</b>	<b>(1,483)</b>
<b>Reconciliation of funds</b>					
Total fund balances brought forward at 1 September 2015		131	(463)	21,276	20,944
<b>Total fund balances carried forward at 31 August 2016</b>		<b>249</b>	<b>(1,577)</b>	<b>20,789</b>	<b>19,461</b>

## 8 Staff

### (a) Staff costs

Staff costs during the year were:

	2017 Total funds £'000	2016 Total funds £'000
Wages and salaries	4,567	4,359
Social security costs	413	334
Pension costs	727	646
	5,707	5,339
Supply teacher costs	43	136
	5,750	5,475

### (b) Staff numbers

The average numbers of persons (including Senior Management Team) employed by the Academy during the year expressed as average headcount was as follows:

Charitable activities	2017	2016
Teachers	81	76
Administration and support	71	74
Management	8	7
	160	157

### (c) Higher paid staff

The following number of employees had total remuneration (excluding employers' pension contributions) above £60,000, within the following bands:

	2017 No	2016 No
£60,001 - £70,000	3	—
£70,001 - £80,000	2	3
£80,001 - £90,000	2	1
£90,001 - £100,000	1	—

Six (2016 – four) of the above employees participated in the Teachers' Pension Scheme.

### (d) Key management personnel

The key management personnel of the academy trust comprise the Governors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £607,000 (2016: £622,418).

**9 Related party transactions – Governors’ remuneration and expenses**

Some Governors have been paid remuneration or have received other benefits from an employment with the academy trust. The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. The value of Governors’ remuneration and other benefits whilst a Governor was as follows:

	2017 £’000	2016 £’000
Amanda Compton, Headteacher		
. Remuneration	90 - 95	85 - 90
. Employer’s pension contributions	15 - 20	10 - 15
Patrick Harris, Staff Governor		
. Remuneration	35 - 40	35 - 40
. Employer’s pension contributions	5 - 10	5 - 10
Naps Gallimore, Staff Governor		
. Remuneration	40 - 45	45 - 50
. Employer’s pension contributions	5 - 10	5 - 10
Tanya Wiles, Parent Governor and member of staff		
. Remuneration	10 - 15	—
. Employer’s pension contributions	0 - 5	—

No expenses were reimbursed to governors during the year (2016 – none).

**10 Governors’ and Officers’ insurance**

In accordance with normal commercial practice the College has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on College business. The insurance provides unlimited cover and for the year ended 31 August 2017 was included as part of the College’s overall RPA insurance package (2016 –included as part of the College’s overall RPA insurance package) ).

Other related party transactions involving the trustees are set out in note 19.

# 11 Tangible fixed assets

	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
<b>Cost/valuation</b>				
At 1 September 2016	22,263	905	364	23,532
Additions	—	17	11	28
Transfer	(19)	—	19	—
At 31 August 2017	22,244	922	394	23,560
<b>Depreciation</b>				
At 1 September 2016	1,705	704	334	2,743
Charge in year	365	78	12	455
At 31 August 2017	2,070	782	346	3,198
<b>Net book value</b>				
At 31 August 2017	20,174	140	48	20,362
At 31 August 2016	20,558	201	30	20,789

As permitted by FRS 102, the governors have adopted a policy of not revaluing tangible fixed assets and, under the transitional arrangements set out in FRS 102, with effect from 1 September 2014, the value assigned to the building is now deemed to be its cost.

# 12 Debtors

	2017 £'000	2016 £'000
VAT recoverable	5	4
Prepayments and accrued income	145	148
	150	152

# 13 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	1	—
Taxation and social security	112	119
Other creditors	117	125
Accruals and deferred income	48	74
	278	318

	2017 £'000	2016 £'000
Deferred income at 1 September 2016	7	80
Released during the year	(7)	(80)
Resources deferred in the year	6	7
Deferred income at 31 August 2017	6	7

Deferred income relates to amounts received during the year for College trips taking place in 2017/18.

## 14 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	504	5,935	(6,401)	(4)	34
. Pupil Premium	—	376	(376)	—	—
. Pension reserve	(2,081)	—	(158)	724	(1,515)
	(1,577)	6,311	(6,935)	720	(1,481)
<b>Restricted fixed assets fund</b>					
. Transfer on conversion	20,724	—	(445)	—	20,279
. DfE/ESFA capital grants	40	24	(5)	—	59
. Capital expenditure from GAG	25	—	(5)	4	24
	20,789	24	(455)	4	20,362
<b>Other restricted funds</b>					
. Local authority grants	—	9	(9)	—	—
. Other restricted funds	—	34	(34)	—	—
	—	43	(43)	—	—
<b>Total restricted funds</b>	19,212	6,378	(7,433)	724	18,881
<b>Unrestricted funds</b>					
. General funds	249	476	(326)	—	399
<b>Total unrestricted funds</b>	249	476	(326)	—	399
<b>Total funds</b>	19,461	6,854	(7,759)	724	19,280

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

### **ESFA revenue grant fund and other restricted funds**

#### *General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

#### *Fixed asset fund*

Restricted fixed asset funds are resources to be spent on particular capital purposes. Transfers out of the fund represented capital funding spent on items which did not meet the College's capitalisation policy.

#### *Other restricted funds*

Are resources for educational purposes, unrestricted funds are resources for general purposes.



## 15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2017 £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	—	—	20,362	<b>20,362</b>
Current assets	399	312	—	<b>711</b>
Current liabilities	—	(278)	—	<b>(278)</b>
Pension scheme liability	—	(1,515)	—	<b>(1,515)</b>
<b>Total net assets</b>	<b>399</b>	<b>(1,481)</b>	<b>20,362</b>	<b>19,280</b>

## 16 Commitments under operating leases

### *Operating leases*

At 31 August 2017, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	Furniture and equipment	
	2017 £'000	2016 £'000
Amounts due within one year	<b>15</b>	18
Amounts due between two and five years inclusive	<b>57</b>	61
	<b>72</b>	79

## 17 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

## 18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Croydon Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £66,919 were payable to the schemes at 31 August 2017 (2016: £74,780) and are included within creditors.

## 18 Pension and similar obligations (continued)

### *Teachers' Pension Scheme*

#### *Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

## 18 Pension and similar obligations (continued)

### *Teachers' Pension Scheme (continued)*

#### *Valuation of the Teachers' Pension Scheme (continued)*

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £426,000 (2016: £404,000).

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

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

### *Local Government Pension Scheme (LGPS)*

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 2017 was £235,000 (2016: £221,000), of which employer's contributions totalled £187,000 (2016: £159,000) and employees' contributions totalled £48,000 (2016: £52,000). The agreed contribution rates for future years are 18.2% of employers and between 5.5% - 12.5% of employees.

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

Principal Actuarial Assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	2.9%	3.1%
Rate of increase for pensions in payment / inflation	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.1%

**18 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS) (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 August 2017 years	At 31 August 2016 years
<i>Retiring today</i>		
Males	22	22
Females	24	24
<i>Retiring in 20 years</i>		
Males	24	24
Females	26	27

	At 31 August 2017 £'000
Discount rate -0.5%	137
Salary increase rate to +0.5%	42
Pension increase rate to +0.5%	391

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,265	1,133
Bonds	312	340
Property	201	145
Cash and other liquid assets	55	—
<b>Total market value of assets</b>	<b>1,833</b>	<b>1,618</b>

## 18 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

Amounts recognised in statement of financial activities	2017 £	2016 £
Current service cost	(302)	(239)
Interest income	36	47
Interest cost	(81)	(97)
<b>Total amount recognised in the SOFA</b>	<b>(347)</b>	<b>(289)</b>

Changes in the present value of defined benefit obligations were as follows:	2017 £'000	2016 £'000
At 1 September 2016	3,699	2,408
Current service cost	302	239
Interest cost	81	97
Employee contributions	48	52
Actuarial loss/(gain)	(766)	915
Benefits paid	(16)	(12)
<b>At 31 August 2017</b>	<b>3,348</b>	<b>3,699</b>

Changes in the fair value of the Academy's share of scheme assets:	2017 £'000	2016 £'000
At 1 September 2016	1,618	1,102
Interest income	36	47
Actuarial gain/(loss)	(42)	219
Employer contributions	189	210
Employee contributions	48	52
Benefits paid	(16)	(12)
<b>At 31 August 2017</b>	<b>1,833</b>	<b>1,618</b>

## 19 Related party transactions

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

No related party transactions took place in the period of account.

**20 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the trust received £17,640 (2016: £16,000) and disbursed £21,394 (2016: £21,000) from the fund (which included spending some of the £5,000 bursary funds brought forward). An amount of £1,246 (2016 - £5,000) is included in other creditors relating to undistributed funds that will be disbursed to students in 2017/18.