

REGISTRAR OF COMPANIES

Norbury Manor Business and Enterprise College for Girls

Annual Report and Financial Statements

31 August 2014

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

THURSDAY



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Reference and administrative information

| | |
|------------------------------------|--|
| Members | I H Bower M Hamilton M Turner D Rose |
| Governors | C Deen, Parent Governor D Rose, Vice Chair I H Bower, Chair of Personnel Committee J Ralphs, LA Governor K Hume, Chair of Premises Committee M Hamilton, Chair of ED and Curriculum Committee M Turner, Chair of Governing Body P Harris, Staff Governor A Compton, Headteacher A Hussain, Parent Governor M Miller, Parent Governor A S Horner-Knight, Parent Governor E Jordon, Parent Governor J Chandler, Co-opted Governor, Chair of Finance Committee |
| Company Secretary | W Kinnon |
| Headteacher | A Compton |
| Registered address | Kensington Avenue Thornton Heath Croydon Surrey CR7 8BT |
| 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 |

Reference and administrative information

| | |
|-------------------|--|
| Solicitors | Dickinson Dees 1 Trinity Broad Chare Newcastle upon Tyne NE1 2HF |
|-------------------|--|

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 2014. 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 24 to 27 of the attached financial statements and comply with the College's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The College is a company limited by guarantee and an exempt charity. It was set up in November 2011 and in 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 on 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 2014 and served throughout the year except where shown.

| Trustee | Appointed/Resigned | Appointing body |
|-------------------|---------------------------|--|
| C Deen | | Parent Governor |
| D Rose | | Vice Chair |
| E Dennis | Resigned 30 November 2013 | Parent Governor |
| I H Bower | | Chair of Personnel and Finance Committee |
| J Ralphs | | LA Governor |
| K Hume | | Chair of Premises Committee |
| M Hamilton | | Chair of ED and Curriculum Committee |
| M Turner | | Chair of Governing Body |
| P Harris | | Staff Governor |
| D Stevenson | Resigned 9 July 2014 | Teacher Governor |
| A Compton | | Headteacher |
| A Hussain | | Parent Governor |
| M Miller | | Parent Governor |
| A S Horner-Knight | | Parent Governor |
| E Jordon | | Parent Governor |
| J Chandler | Appointed 10 March 2014 | Co-opted Governor |

From 1 September 2014 the Personnel and Finance Committee has split. This is due to the increased work of the Personnel Committee following the introduction of performance related pay.

Method of recruitment and appointment or election of Governors

The governors are appointed under the terms of the College's articles of association;

- ◆ 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 17 meetings. 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 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 executive who are the senior leadership team. The Governing Body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the charitable company and monitor its progress towards these objectives.

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

OBJECTIVES AND ACTIVITIES

Objects and aims

The principle object and activity is to raise the standard of education 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;
- ◆ 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 AND ACTIVITIES

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 the curriculum should comply with the substance of the national curriculum.

Activities for achieving objectives

The key activities for the year ended 31 August 2014 were:

- ◆ Achievement – Funding is spent to ensure all students can make outstanding progress. The focus on ensuring the quality of learning and teaching drives this and is supported by a range of interventions, delivered for all year groups that is appropriate and effective.
- ◆ Quality of teaching – The College has strived to ensure that all teaching is good or outstanding. There has been a range of training delivered with a clear focus on improving teaching in all subjects and on ensuring feedback to students is formative and well used. This is delivered through both external providers and through staff sharing expertise and good practice. It is supported through learning walks, lesson observations, Curriculum/Pastoral Area reviews and analysis of outcomes, individual staff support is provided when required.
- ◆ Behaviour and Safety – The College has complied with all statutory requirements for safeguarding but has also supported students through non teaching Year Leaders and through a wide range of activities that will ensure students are ready and able to move on to the next stage of their education or work (Independent careers advisor, enterprise opportunities for all year group, subject mentors, social mentors, prefects, student voice to name a few). The college prides itself on its commitment to student's well being and takes part in major initiatives around this such as healthy eating, e-safety and a full programme of PSHE.
- ◆ Leadership and Management – The effectiveness of the leadership across the school has been reviewed following the Ofsted report in June 2012, clear steps have been taken to ensure that all middle leaders work to the same clear goals and all staff are supported in leadership through ongoing staff development including middle leader training and our MA programme.

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.

STRATEGIC REPORT

Achievements and performance

Review of activities

There have been improvements made to the quality of learning and teaching and this is evidenced by the increase in the results of our students in external examinations both at GCSE and A level. At GCSE the percentage of students gaining 5 or more C grades or above including Maths and English rose from 65% to 67% and within this the percentage of grade at A/A* rose from 26.5% to over 30%. At A level the overall pass rate rose to 99.6% with the percentage of grades at A*/B remaining at 40%. As an academy with a comprehensive intake this represents outstanding progress for our students.

The College has also continued to support all its students in a wide variety of activities and trips (ranging from trips in the local community to visits in both this country and residential trips abroad) to promote not only their subject knowledge but also to increase their employability and understanding of the wider world. Students compete in sporting events, maths challenges, public speaking and enterprise competitions.

The College has set out its development plan for the next year and over the next 3 years. The one year plan will focus on the key areas:

Achievement

- ◆ Achievement and progress to be significantly above national average
- ◆ No key group to be underperforming against other groups
- ◆ Develop use of SIMs to ensure consistency between subjects in the tracking of progress and the monitoring of outcomes
- ◆ Redesign KS3 assessment across all subjects

Quality of teaching

- ◆ 75% lessons to be judged Outstanding and none in need of improvement
- ◆ Differentiation and AfL focus in the classroom to ensure that all students make outstanding progress
- ◆ Continue the drive to ensure that marking and homework are creating a meaningful learning dialogue and are being used to ensure progress

Behaviour and Safety

- ◆ Develop the use of SIMs in monitoring behaviour, attendance and punctuality ensuring consistency in recording
- ◆ Develop further the role of the form tutor

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

Leadership and Management

- ◆ Improve internal and external communication
- ◆ Planning for future curriculum changes

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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Ethos, strategy and policies

The Governors are responsible for setting a strategy for achieving the objectives they have set. The primary focus remains the development and achievement of our students and in taking forward this strategy Governors have:

- ◆ Reviewed and benchmarked the College's academic curriculum, the quality of teaching and learning and external examination grades and measures of student progress.
- ◆ Reviewed and investigated a range of published data on the College performance against national and other recognised standards
- ◆ Ensured the continuing financial security of the College by monitoring the College budgets, spending and future plans on a regular basis.

Financial review

Financial report for the year

The total income for the year was £7,429,790, of which £6,214,919 was General Annual Grant. The excess of income over expenditure for the year, excluding the fixed assets fund was £59,953 (2013 - £241,393).

The results for the year are shown on page 21.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

The College held fund balances at 31 August 2014 of £21,398,306 (2013 - £21,972,747) comprising £120,218 (2013 - £80,719) of unrestricted general funds and £21,278,088 (2013 - £21,892,028) of restricted funds which includes the pension reserve deficit of £1,263,000 (2013 - £1,046,000).

The College's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £120,218 (2013 - £80,719).

During the coming year, the Governing Body will adopt a policy on the appropriate level of free reserves to reflect revenue income and on-going commitments.

The fund balances at 31 August 2014 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 EFA.

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.

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.

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 3 year plan has broader goals as set out below;

- ◆ Obtain an Outstanding in Ofsted by ensuring outstanding outcomes for all students.
- ◆ Increase the size of the College with a larger intake in year 7 (8 form entry).

PLANS FOR FUTURE PERIODS (continued)

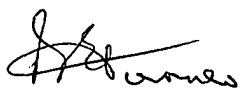
- ◆ Increase the numbers in the 6th form (250), this is against a background of falling numbers of 18 year olds until 2020.
- ◆ Improve the fabric of the building to allow the delivery of an education to equip students for the 21st century in a safe and motivating environment.
- ◆ Improve the financial position of the College by maintaining financial probity to ensure the long term development plans can be sustained.

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 1 December 2014 and signed on its behalf by:



M Turner
Chair of Governors

Date: 1-12-14

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 has formally met 17 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

| Governor | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| A Compton | 16 | 17 |
| M Turner | 15 | 17 |
| K Hume | 9 | 10 |
| P Harris | 10 | 11 |
| M Hamilton | 13 | 14 |
| D Rose | 10 | 14 |
| D Stevenson | 4 | 8 |
| C Deen | 3 | 9 |
| E Dennis | 2 | 5 |
| I Hamilton Bower | 14 | 14 |
| J Ralphs | 10 | 11 |
| A Hussain | 8 | 8 |
| M Miller | 6 | 8 |
| J Chandler | 4 | 5 |
| E Jordon | 5 | 7 |
| S Horner-Knight | 8 | 8 |

Governance reviews:

During the course of this financial year the Governing Board has reviewed its structure and conducted a skills audit. A full self review has been scheduled for January 2015.

Governance (continued)

The Personnel and Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to make sure that the College is following the EFA's financial regulations.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|------------------|-------------------|-------------------|
| A Compton | 3 | 3 |
| M Turner | 3 | 3 |
| D Rose | 2 | 3 |
| I Hamilton Bower | 3 | 3 |
| M Hamilton | 2 | 3 |
| P Harris | 2 | 3 |
| J Ralphs | 3 | 3 |
| J Chandler | 2 | 2 |

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 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the 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 2014 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The 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 additional checks.

The reviewer's 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 auditor reports to the Board of Governors, through the Personnel and 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 Personnel and Finance Committee. No significant issues have been raised.

Review of effectiveness

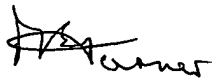
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

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

Review of effectiveness (continued)

The Accounting Officer has advised the Personnel and Finance committee of the implications of her review of the system of internal control by the Personnel and 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 on 1 December 2014 and signed on their behalf by:



M Turner

(Chair of Governors)

Approved on: 1-12-14



A Compton

(Accounting Officer)

2-12-14

Statement on regularity, propriety and compliance 31 August 2014

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 funding agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 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.

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 EFA.



A Compton

Accounting Officer

Date: 2-12-14

Statement of Governors' responsibilities 31 August 2014

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 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 incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom 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 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 EFA/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 1 December 2014 and signed on its behalf by:

M Turner 
Chair of Governors

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

We have audited the financial statements of Norbury Manor Business and Enterprise College for Girls ("the charitable company") for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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.

Respective responsibilities of Governors and auditor

The Governors act as 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 purpose of company law.

As explained more fully in the statement of Governors' responsibilities set out in the Governors' report, including the strategic report, the Governors 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report, including the strategic 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 Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Buzzacott LLP

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

15 December 2014

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

In accordance with the terms of our engagement letter dated 30 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 EFA 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 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 Norbury Manor Business and Enterprise College for Girls and the EFA, 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 2013, 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 to 2014. 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 2013 to 31 August 2014 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 to 2014 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.

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 December 2014

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2014

| | Notes | Unrestricted general fund £ | Restricted general fund £ | Restricted fixed assets fund £ | 2014 Total funds £ | 2013 Total funds £ |
|---|-------|--------------------------------------|------------------------------------|--|-----------------------------|-----------------------------|
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| . Voluntary income | 1 | 701 | — | — | 701 | 6,479 |
| . Activities for generating funds | 2 | 65,032 | — | — | 65,032 | 80,354 |
| . Investment income | 3 | 8,512 | — | — | 8,512 | 12,117 |
| Incoming resources from charitable activities | | | | | | |
| . Funding for the academy's educational operations | 4 | 294,179 | 6,675,422 | 385,944 | 7,355,545 | 7,313,444 |
| Total incoming resources | | 368,424 | 6,675,422 | 385,944 | 7,429,790 | 7,412,394 |
| Resources expended | | | | | | |
| Cost of generating funds: | | | | | | |
| . Fundraising trading | | 4,799 | — | — | 4,799 | — |
| Charitable activities | | | | | | |
| . Academy's educational operations | 6 | 324,126 | 6,592,404 | 921,837 | 7,838,367 | 7,698,459 |
| Governance costs | 7 | — | 35,065 | — | 35,065 | 33,784 |
| Total resources expended | 5 | 328,925 | 6,627,469 | 921,837 | 7,878,231 | 7,732,243 |
| Net income (expenditure) for the year before transfers | | | | | | |
| | | 39,499 | 47,953 | (535,893) | (448,441) | (319,849) |
| Transfers between funds | 15 | — | (27,499) | 27,499 | — | — |
| Net income (expenditure) for the year | | 39,499 | 20,454 | (508,394) | (448,441) | (319,849) |
| Other recognised gains and losses | | | | | | |
| Actuarial losses on defined benefit pension scheme | 24 | — | (126,000) | — | (126,000) | (23,000) |
| Net movement in funds | | 39,499 | (105,546) | (508,394) | (574,441) | (342,849) |
| Reconciliation of funds | | | | | | |
| Total fund balances brought forward at 1 September 2013 | | 80,719 | (429,753) | 22,321,781 | 21,972,747 | 22,315,596 |
| Total fund balances carried forward at 31 August 2014 | | 120,218 | (535,299) | 21,813,387 | 21,398,306 | 21,972,747 |

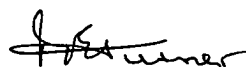
All of the Academy's activities derived from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2014

| | Notes | 2014 £ | 2014 £ | 2013 £ | 2013 £ |
|--|-------|------------------|-------------------|------------------|-------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 11 | | 21,813,387 | | 22,321,779 |
| Current assets | | | | | |
| Stock | 12 | 3,833 | | 3,440 | |
| Debtors | 13 | 163,084 | | 189,809 | |
| Cash at bank and in hand | | 1,155,457 | | 991,601 | |
| | | <u>1,322,374</u> | | <u>1,184,850</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (474,455) | | (487,882) | |
| Net current assets | | | <u>847,919</u> | | <u>696,968</u> |
| Total assets less current liabilities | | | <u>22,661,306</u> | | <u>23,018,747</u> |
| Pension scheme liability | 24 | | (1,263,000) | | (1,046,000) |
| Net assets including pension scheme liability | | | <u>21,398,306</u> | | <u>21,972,747</u> |
| Funds of the Academy | | | | | |
| Restricted income funds | | | | | |
| . Fixed assets fund | 15 | 21,813,387 | | 22,321,781 | |
| . General fund | 15 | 727,701 | | 616,247 | |
| . Pension reserve | 15 | (1,263,000) | | (1,046,000) | |
| | | | <u>21,278,088</u> | | <u>21,892,028</u> |
| Unrestricted funds | | | | | |
| . General fund | 15 | | 120,218 | | 80,719 |
| Total funds | | | <u>21,398,306</u> | | <u>21,972,747</u> |

The financial statements on page 21 to 41 were approved by the Governors, and authorised for issue on 1 December 2014 and are signed on their behalf by:



M Turner
Chair

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

Cash flow statement Year to 31 August 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|------------------|-----------|
| Net cash (outflow) inflow from operating activities | 19 | (179,560) | 276,257 |
| Returns on investment and servicing of finance | 20 | 8,512 | 12,117 |
| Capital expenditure | 21 | 334,904 | 78,008 |
| Increase in cash in the year | | 163,856 | 366,382 |
| Reconciliation of net cash flow to movement in net funds: | | | |
| Net funds at 1 September 2013 | | 991,601 | 625,219 |
| Net funds at 31 August 2014 | | 1,155,457 | 991,601 |

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 2013 to 2014 issued by the EFA 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 Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the academy trust 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 a receivable basis. The balance of income received for specific purposes but not expended during the year 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.

♦ 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 year it is receivable and to the extent the goods have been provided or on completion of the service.

Resources expended

All expenditure is recognised in the year 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 trust's educational operations.

◆ ***Governance costs***

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

All resources expended are inclusive of irrecoverable VAT.

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 over its expected useful economic life, as follows:

| | |
|------------------------------------|----------------------|
| ◆ Freehold buildings | 2% straight line |
| ◆ Fixtures, fittings and equipment | 10% reducing balance |
| ◆ IT equipment | 33% reducing balance |

Depreciation is charged from the month of acquisition.

Tangible fixed assets (continued)

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.

Stock

Stocks are valued at the lower of cost and 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 are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 24, 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.

Pensions benefits (continued)

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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education 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 Funding Agency/Department for Education.

Notes to the Financial Statements Year to 31 August 2014

1 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|-----------|-------------------------|-----------------------|-----------------------------|-----------------------------|
| Donations | 701 | — | 701 | 6,479 |

2 Activities for Generating Funds

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|--------------------|-------------------------|-----------------------|-----------------------------|-----------------------------|
| Hire of facilities | 65,032 | — | 65,032 | 80,354 |

3 Investment Income

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---------------------|-------------------------|-----------------------|-----------------------------|-----------------------------|
| Interest receivable | 8,512 | — | 8,512 | 12,117 |

4 Funding for academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---------------------------------|-------------------------|-----------------------|-----------------------------|-----------------------------|
| DfE / EFA capital grants | — | 385,944 | 385,944 | 178,681 |
| DfE / EFA revenue grants | | | | |
| . General Annual Grant (GAG) | — | 6,214,919 | 6,214,919 | 6,426,796 |
| . Pupil Premium Grant | — | 325,234 | 325,234 | 296,064 |
| . 16-19 Bursary Grant Fund | — | 22,167 | 22,167 | — |
| . Other DfE / EFA | — | 43,100 | 43,100 | 12,922 |
| | — | 6,605,420 | 6,605,420 | 6,735,782 |
| Other government grants | | | | |
| . SEN | — | 24,261 | 24,261 | 38,311 |
| . Local authority grants | — | 4,833 | 4,833 | 39,638 |
| | — | 29,094 | 29,094 | 77,949 |
| Other income | | | | |
| . Learning resources | 61,820 | — | 61,820 | 39,565 |
| . Catering income | 162,267 | — | 162,267 | 169,242 |
| . Trip income | 70,092 | — | 70,092 | 80,072 |
| . Miscellaneous income | — | 40,908 | 40,908 | 32,153 |
| | 294,179 | 40,908 | 335,087 | 321,032 |
| | 294,179 | 7,061,366 | 7,355,545 | 7,313,444 |

5 Resources expended

| | Staff costs £ | Non pay expenditure | | 2014 Total funds £ | 2013 Total funds £ |
|---|------------------|---------------------|------------------|-----------------------------|-----------------------------|
| | | Premises £ | Other costs £ | | |
| Cost of generating funds | | | | | |
| . Cost of activities for generating funds | — | — | 4,799 | 4,799 | — |
| Charitable activities | | | | | |
| . Academy's educational operations | | | | | |
| .. Direct costs | 4,874,620 | 365,487 | 522,571 | 5,762,678 | 5,619,112 |
| .. Allocated support costs | 666,746 | 940,285 | 468,658 | 2,075,689 | 2,079,347 |
| | <u>5,541,366</u> | <u>1,305,772</u> | <u>991,229</u> | <u>7,838,367</u> | <u>7,698,459</u> |
| Governance costs | 16,266 | — | 18,799 | 35,065 | 33,784 |
| | <u>5,557,632</u> | <u>1,305,772</u> | <u>1,014,827</u> | <u>7,878,231</u> | <u>7,732,243</u> |
| | | | | 2014 Total funds £ | 2013 Total funds £ |
| Net outgoing resources for the year include: | | | | | |
| Operating leases | | | | 18,927 | 18,927 |
| Fees payable to auditor | | | | | |
| . Statutory audit | | | | 8,000 | 4,500 |
| . Non statutory audit | | | | 2,950 | 375 |
| . Other services | | | | 3,250 | 3,600 |
| . Prior year | | | | 1,675 | 5,925 |

6 Charitable activities - academy's educational operations

| | 2014 Total funds £ | 2013 Total funds £ |
|---|-----------------------------|-----------------------------|
| Direct costs | | |
| Teaching and educational support staff costs | 4,874,620 | 4,712,158 |
| Depreciation | 365,487 | 365,487 |
| Educational supplies | 278,099 | 275,607 |
| Examination fees | 110,999 | 116,043 |
| Educational consultancy | 46,570 | 49,960 |
| Staff development | 16,849 | 19,785 |
| Other direct costs | 70,054 | 80,072 |
| | <u>5,762,678</u> | <u>5,619,112</u> |
| Allocated support costs | | |
| Support staff costs | 666,746 | 689,532 |
| Depreciation | 193,945 | 296,430 |
| Recruitment and support | 33,385 | 30,824 |
| Ongoing maintenance of premises and equipment | 146,611 | 144,099 |
| Property repairs | 353,211 | 304,750 |
| Finance costs (FRS17 charge) | 42,000 | 38,000 |
| Cleaning | 30,189 | 33,218 |
| Rent and rates | 44,119 | 44,537 |
| Energy costs | 111,387 | 121,403 |
| Insurance | 60,823 | 44,590 |
| Catering | 254,072 | 242,111 |
| Bank interest and charges | 2,697 | 2,140 |
| Other support costs | 136,504 | 87,713 |
| | <u>2,075,689</u> | <u>2,079,347</u> |
| Total direct and support costs | <u>7,838,367</u> | <u>7,698,459</u> |

7 Governance costs

| | 2014 Total funds £ | 2013 Total funds £ |
|---------------------------------|-----------------------------|-----------------------------|
| Legal and professional fees | 975 | — |
| Auditor's remuneration: | | |
| . Audit of financial statements | 8,000 | 4,500 |
| . Other audit costs | 2,950 | 375 |
| . Other services | 3,250 | 4,650 |
| . Prior year audit fee | 1,675 | 5,925 |
| Support staff costs | 16,266 | 15,394 |
| Governors' Training | 1,948 | 2,940 |
| | <u>35,064</u> | <u>33,784</u> |

8 Staff

(a) Staff costs

Staff costs during the year were:

| | 2014 Total funds £ | 2013 Total funds £ |
|-----------------------|-----------------------------|-----------------------------|
| Wages and salaries | 4,504,678 | 4,307,416 |
| Social security costs | 362,922 | 323,539 |
| Pension costs | 597,470 | 717,405 |
| | 5,465,070 | 5,348,360 |
| Supply teacher costs | 92,562 | 33,852 |
| | 5,557,632 | 5,382,212 |

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year expressed as a full time equivalents was as follows:

| | 2014 £ | 2013 £ |
|------------------------------|-----------|-----------|
| Charitable activities | | |
| Teachers | 81 | 80 |
| Administration and support | 81 | 78 |
| Management | 8 | 8 |
| | 170 | 168 |

(c) Higher paid staff

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

| | 2014 No | 2013 No |
|-------------------|------------|------------|
| £60,001 - £70,000 | 3 | 3 |
| £70,001 - £80,000 | 3 | 2 |

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £30,000 (2013 - £28,000). The other employees participated in the Local Government Pension Scheme, pension contributions amounted to £8,000 (2013 - £6,500).

9 Governors' remuneration and expenses

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 was as follows:

| | 2014 £ | 2013 £ |
|---------------------------------|-------------------|-------------------|
| Amanda Compton, Headteacher | £75,000 - £80,000 | £50,000 - £55,000 |
| David Stevenson, Staff governor | £45,000 - £50,000 | £45,000 - £50,000 |
| Patrick Harris, Staff governor | £35,000 - £40,000 | £35,000 - £40,000 |

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 cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,855 (2013 - £1,518).

11 Tangible fixed assets

| | Freehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | Total funds £ |
|-----------------------|--|------------------------------------|----------------------------|---------------------|
| Cost/valuation | | | | |
| At 1 September 2013 | 22,244,330 | 886,188 | 305,451 | 23,435,969 |
| Additions | — | 9,677 | 41,363 | 51,040 |
| At 31 August 2014 | 22,244,330 | 895,865 | 346,814 | 23,487,009 |
| Depreciation | | | | |
| At 1 September 2013 | 609,145 | 278,844 | 226,201 | 1,114,190 |
| Charge in year | 365,487 | 129,117 | 64,828 | 559,432 |
| At 31 August 2014 | 974,632 | 407,961 | 291,029 | 1,673,622 |
| Net book value | | | | |
| At 31 August 2014 | 21,269,698 | 487,904 | 55,785 | 21,813,387 |
| At 31 August 2013 | 21,635,185 | 607,344 | 79,250 | 22,321,779 |

12 Stock

| | 2014 £ | 2013 £ |
|-----------------------|-----------|-----------|
| Catering and supplies | 3,833 | 3,440 |

13 Debtors

| | 2014 £ | 2013 £ |
|--------------------------------|----------------|----------------|
| Prepayments and accrued income | 123,867 | 139,113 |
| VAT debtor | 39,217 | 50,696 |
| | 163,084 | 189,809 |

14 Creditors: amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 7,396 | 193,292 |
| Other creditors | 133,299 | 233,313 |
| Accruals and deferred income | 333,760 | 61,277 |
| | 474,455 | 487,882 |

15 Funds

| | Balance at 1 September 2013 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2014 £ |
|---|--|----------------------------|----------------------------|--|--------------------------------------|
| EFA revenue grant fund | | | | | |
| General Annual Grant (GAG) | 616,247 | 6,214,919 | (6,131,185) | (27,499) | 672,482 |
| Pupil Premium | — | 325,234 | (270,015) | — | 55,219 |
| 16-19 Bursary Fund | — | 22,167 | (22,167) | — | — |
| Other DfE/EFA grants | — | 43,100 | (43,100) | — | — |
| | 616,247 | 6,605,420 | (6,466,467) | (27,499) | 727,701 |
| Pension reserve | (1,046,000) | — | (91,000) | (126,000) | (1,263,000) |
| | (429,753) | 6,605,420 | (6,557,467) | (153,499) | (535,299) |
| Other restricted funds | | | | | |
| SEN | — | 24,261 | (24,261) | — | — |
| Local Authority grants | — | 4,833 | (4,833) | — | — |
| Other income | — | 40,908 | (40,908) | — | — |
| | — | 70,002 | (70,002) | — | — |
| Fixed assets fund | | | | | |
| EFA capital grants | — | 385,944 | (368,551) | — | 17,393 |
| GAG funded assets | — | — | (7,180) | 27,499 | 20,319 |
| College building and furniture and equipment transferred from Local Authority | 22,321,781 | — | (546,106) | — | 21,775,675 |
| | 22,321,781 | 385,944 | (921,837) | 27,499 | 21,813,387 |
| Total restricted funds | 21,892,028 | 7,061,366 | (7,549,306) | (126,000) | 21,278,088 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 80,719 | 368,424 | (328,925) | — | 120,218 |
| Total unrestricted funds | 80,719 | 368,424 | (328,925) | — | 120,218 |
| Total funds | 21,972,747 | 7,429,790 | (7,878,231) | (126,000) | 21,398,306 |

15 Funds (continued)

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

EFA 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 2014.

Fixed asset fund

Restricted fixed asset funds are resources to be spent on particular capital purposes, restricted funds are resources for educational purposes, unrestricted funds are resources for general purposes.

16 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset fund £ | Total 2014 £ |
|--|----------------------------|-------------------------------------|---|--------------------|
| Fund balances at 31 August 2014 are represented by: | | | | |
| Tangible fixed assets | — | — | 21,813,387 | 21,813,387 |
| Current assets | 120,218 | 969,940 | 232,216 | 1,322,374 |
| Current liabilities | — | (242,239) | (232,216) | (474,455) |
| Pension scheme liability | — | (1,263,000) | — | (1,263,000) |
| Total net assets | 120,218 | (535,299) | 21,813,387 | 21,398,306 |

17 Capital commitments

| | 2014 £ | 2013 £ |
|--|----------------|-----------|
| Contracted for, but not provided in the financial statements | 194,477 | — |

18 Financial commitments

Operating leases

At 31 August 2014, the academy trust had annual commitments under non-cancellable operating leases as follows:

| | 2014 £ | 2013 £ |
|--|---------------|---------------|
| Other | | |
| Expiring within one year | 9,267 | — |
| Expiring within two and five years inclusive | 9,660 | 18,927 |
| | 18,927 | 18,927 |

19 Reconciliation of net expenditure to net cash (outflow) inflow from operating activities

| | 2014 £ | 2013 £ |
|--|------------------|----------------|
| Net expenditure | (448,441) | (319,849) |
| Depreciation (note 11) | 559,432 | 661,917 |
| Capital grants from DfE and other capital income | (385,944) | (178,681) |
| Interest receivable (note 3) | (8,512) | (12,117) |
| FRS 17 pension cost less contributions payable (note 24) | 91,000 | 43,000 |
| (Increase) decrease in stock | (393) | 1,513 |
| Increase in debtors | 26,725 | 87,318 |
| Increase in creditors | (13,427) | (11,089) |
| Net cash (outflow) inflow from operating activities | (179,560) | 276,257 |

20 Returns on investment and servicing of finance

| | 2014 £ | 2013 £ |
|--|--------------|---------------|
| Interest received | 8,512 | 12,117 |
| Net cash inflow from returns on investment and servicing of finance | 8,512 | 12,117 |

21 Capital expenditure and financial investment

| | 2014 £ | 2013 £ |
|---|----------------|---------------|
| Purchase of tangible fixed assets | (51,040) | (100,673) |
| Capital grants from DfE / EFA | 385,944 | 178,681 |
| Net cash inflow from capital expenditure and financial investments | 334,904 | 78,008 |

22 Analysis of changes in net funds

| | At 1 September 2013 £ | Cashflows £ | At 31 August 2014 £ |
|--------------------------|--------------------------------|----------------|------------------------------|
| Cash in hand and at bank | 991,601 | 163,856 | 1,155,457 |

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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

24 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 the London Borough of Croydon. 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 2012 and of the LGPS 31 March 2013.

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) 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.

The Teachers' Pensions Regulations require an annual 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

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 (currently 14.1%);
- ◆ total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

24 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years 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 have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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.

24 Pension and similar obligations (continued)**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 2014 was £248,000, of which employer's contributions totalled £193,000 and employees' contributions totalled £55,000. The agreed contribution rates for future years are 18.3% of employers plus an annual payment of £49,000 and 5.5-7.5% 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 2014 | At 31 August 2013 |
|--|--------------------------|--------------------------|
| Rate of increase in salaries | 3.5% | 4.6% |
| Rate of increase for pensions in payment / inflation | 2.7% | 2.8% |
| Discount rate for scheme liabilities | 3.7% | 4.6% |
| Inflation assumption (CPI) | 2.7% | 2.8% |

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 2014 | At 31 August 2013 |
|-----------------------------|--------------------------|--------------------------|
| <i>Retiring today</i> | | |
| Males | 22.3 | 22.9 |
| Females | 24.4 | 25.7 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.4 | 24.9 |
| Females | 26.7 | 27.7 |

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

| | Expected return at 31 August 2014 | Fair value at 31 August 2014 | Expected return at 31 August 2013 | Fair value at 31 August 2013 |
|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| | | £ | | £ |
| Equities | 6.4% | 477,000 | 6.8% | 253,000 |
| Bonds | 3.7% | 182,000 | 4.4% | 114,000 |
| Property | 4.5% | 61,000 | 4.7% | 20,000 |
| Cash | 3.3% | 38,000 | 3.6% | 20,000 |
| Total market value of assets | | 758,000 | | 407,000 |
| Present value of scheme liabilities | | (2,021,000) | | (1,453,000) |
| (Deficit) in the scheme | | (1,263,000) | | (1,046,000) |

24 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The expected returns have been calculated by the actuary using 5,000 simulations of HRAM, calibrated using recent market data.

The actual return on scheme assets was £58,000.

| Amounts recognised in statement of financial activities | 2014 £ | 2013 £ |
|--|-----------------|-----------------|
| <i>Current service costs (net of employee contributions)</i> | | |
| Past service costs | 242,000 | 189,000 |
| Total operating charge | 242,000 | 189,000 |
| Analysis of pension finance income / (costs) | | |
| Expected return on pension scheme assets | 31,000 | 13,000 |
| Interest on pension liabilities | (73,000) | (51,000) |
| Pension finance (costs) | (42,000) | (38,000) |

The actuarial 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 loss of £217,000.

| Movements in the overall deficit were as follows: | 2014 £ | 2013 £ |
|---|--------------------|--------------------|
| Deficit at 1 September 2013 | (1,046,000) | (1,127,000) |
| Current service cost | (242,000) | (189,000) |
| Employer contributions | 193,000 | 184,000 |
| Net finance interest | (42,000) | (38,000) |
| Actuarial losses | (126,000) | (23,000) |
| At 31 August 2014 | (1,263,000) | (1,046,000) |

| Movements in the present value of defined benefit obligations were as follows: | 2014 £ | 2013 £ |
|--|------------------|------------------|
| Deficit at 1 September 2013 | 1,453,000 | 1,127,000 |
| Current service costs | 242,000 | 189,000 |
| Interest costs | 73,000 | 51,000 |
| Employee contributions | 55,000 | 47,000 |
| Actuarial loss | 201,000 | 39,000 |
| Estimated benefits paid | (3,000) | — |
| At 31 August 2014 | 2,021,000 | 1,453,000 |

24 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

| Movements in the fair value of Academy's share of scheme assets: | 2014 £ | 2013 £ |
|--|----------------|----------------|
| At 1 September 2013 | 407,000 | 147,000 |
| Expected return on assets | 31,000 | 13,000 |
| Actuarial gain | 75,000 | 16,000 |
| Employer contributions | 193,000 | 184,000 |
| Employee contributions | 55,000 | 47,000 |
| Estimated benefits paid | (3,000) | — |
| At 31 August 2014 | 758,000 | 407,000 |

The estimated value of the employer contributions for the year ended 31 August 2015 is £242,000.

The three year history of experience adjustments are as follows:

| | 2014 £ | 2013 £ | 2012 £ |
|---|--------------------|--------------------|--------------------|
| Present value of defined benefit obligations | (2,021,000) | (1,453,000) | (1,127,000) |
| Fair value of share scheme assets | 758,000 | 407,000 | 147,000 |
| Deficit on the scheme | (1,263,000) | (1,046,000) | (980,000) |
| Experience adjustments on share of scheme assets | | | |
| Amount | 75,000 | 16,000 | 2,000 |
| Experience adjustments on scheme liabilities | | | |
| Amount | (52,000) | — | — |

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, 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.