

Company Registration No. 07974098 (England and Wales)

**BLACKFEN SCHOOL FOR GIRLS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

THURSDAY



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COMPANIES HOUSE

# BLACKFEN SCHOOL FOR GIRLS

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# BLACKFEN SCHOOL FOR GIRLS

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr W Stone (Appointed Governor) \*  
Mrs J Andrews (Appointed Governor)  
Mr S J Fitzgerald (Appointed Governor / Chair of Governors) \*  
Mr S J Rogers (Appointed Governor) \*  
Mrs C S Townsend (Appointed Governor / Vice Chair of Governors) \*  
Mr M Brown (Head Teacher & Accounting Officer) \*  
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance) \*  
Mr K Jones (Elected Parent Governor) \*  
Mr T Perrin (LA Appointed Governor) \*  
Ms K Brewer (Elected Staff Governor)  
Mrs A Middleton (Appointed Governor) \* Resigned 7<sup>th</sup> July 2016  
Ms J Phelps (Appointed Governor / Vice Chair of Governors)  
Mr E Sweatman (Elected Staff Governor)  
Mr T Ford (Elected Parent Governor)  
Mrs E Drummond (Elected Parent Governor) \*  
Dr K Hayward (Elected Parent Governor) \*  
Mrs A Dhorajiwala (Elected Parent Governor) \*  
Mrs J Allen (Staff Governor) Appointed 10 December 2015

\* Members of the Finance and Audit Committee

### Members

Mr W Stone  
Mr M Brown  
Mr S Rogers  
Mrs C Townsend  
Mr S Fitzgerald  
Mrs J Andrews  
Dr K Hayward

### Leadership Team

- Head Teacher  
- Senior Deputy Head Teacher  
- Deputy Head Teacher  
- Deputy Head Teacher  
- Assistant Head Teacher  
- Assistant Head Teacher  
- Assistant Head Teacher  
- Assistant Head Teacher  
- Assistant Head Teacher  
- Assistant Head Teacher  
- Assistant Head Teacher

Mr M Brown  
Dr F Valletta  
Ms S Cascarino  
Miss L Hand  
Ms F Minnis  
Ms N Hoad  
Mr S Neil  
Ms K Brewer  
Mr A McGee  
Ms K Hayford  
Mrs K Brown

### Company Secretary

Mr G C Morgan

### Company registration number

07974098 (England and Wales)

### Registered office

Blackfen School for Girls  
Blackfen Road  
Sidcup  
Kent DA15 9NU  
United Kingdom

### Independent auditor

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent BR6 8QE

# **BLACKFEN SCHOOL FOR GIRLS**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Bankers**

Lloyds Bank PLC  
Bexleyheath Branch  
PO Box 1000  
BX1 1LT

### **Solicitors**

Lee Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

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The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2015 to 31 August 2016. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2015/16 issued by the EFA.

The principal activity of the company is the operation of a state-funded Academy; Blackfen School for Girls, providing a state education for students aged 11 to 19. It has a pupil capacity of 1380 and had a roll of 1372 in the school census on January 2016.

#### **Structure, governance and management**

##### Constitution

The academy trust was incorporated as a company on 02 March 2012 and the predecessor school converted to academy status on 01 April 2012. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors of Blackfen School for Girls are also the directors of the charitable company for the purposes of company law and they are governors of the Academy.

The charitable company is known as Blackfen School for Girls.

The governors are the trustees of Blackfen School for Girls and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

##### 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

No Governors' indemnities have been given.

##### Method of recruitment and appointment or election of governors

In accordance with the articles, the governors of the charitable company are the trustees and directors of the charitable company. They are appointed as follows;

- a) up to twelve governors appointed by the members;
- b) up to three staff governors elected by the staff;
- c) up to five parent governors elected by parents;
- d) one LA governor appointed by LA;
- e) the Head Teacher is an ex-officio governor;
- f) In particular circumstances, as detailed in the Articles of Association the Secretary of State may appoint governors to join the governing body.

In respect of those appointed by the members, (a), above) when a vacancy arises, the governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as governors

#### Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least four times a year and has four committees which deal with policies, developments and assessment of different areas of the running of the Academy. The committees are as follows:

- Finance & Audit Committee
- Curriculum Committee
- Staffing Committee
- Premises Committee
- Pay & Performance Committee

All of the committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings. The committees meet each term. All policies and budget decisions are agreed by the Governing Body.

The Head Teacher is the Accounting Officer, he is a member of the Finance & Audit, Curriculum, Staffing and Premises committees. The Business Manager is the Principal Finance Officer.

The day to day management of the Academy is undertaken by the Head Teacher, supported by the Leadership Team.

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

The leadership team (LT) are the key management personnel of the trust. Trustees are also senior leaders although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Head Teacher is set annually by the group responsible for setting the Head Teachers pay. An external adviser is used to evaluate the performance of the Head Teacher and to advise the Governors panel accordingly. The final pay decision recommendation is made to the full Governing body for ratification. Pay is set having regards to performance against objectives set the previous year. Pay of other LT members is also set by the Pay and Performance Committee again having regard to performance against previously agreed objectives and any recommendations made by the Head Teacher.

#### Related Parties and other Connected Charities and Organisations

Blackfen School for Girls is a single Academy and is not part of a federation.

The Academy formed an Umbrella Trust - The Penhill Academies Trust - with two partner schools. These schools are Sherwood Park (primary school) and Hurstmere (boys 11-16 school). The aim is to promote school improvement across the three schools for all young people in the local community. The vision is for three schools working together for the benefit of the local community. A key aspect of this collaborative working will be to share some costs, hence be more efficient, in terms of potential staffing and purchasing power.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **Objectives and activities**

##### Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of Blackfen School for Girls, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

##### Objectives, strategies and activities

The main objectives during the last year were to:

- improve the quality of teaching and learning
- raise standards and accelerate progress
- develop the right conditions for learning
- ensure that leadership and management improves teaching and learning, student progress and attainment.

##### Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit

#### **Strategic report**

##### Achievements and performance

This has been another successful year for the company with continued high achievement at GCSE with over 60% of students gaining 5A\*-C including at least a C in English and at least a C in Mathematics. At A Level over 40% of grades were A\*-B which was a large increase on last year. The number of students joining the school in year 7 was maintained. The main focus to the strategic plan is to continue to raise attainment for all groups of students but particularly improving attainment at the top end and for the disadvantaged. Other priorities include improving the attendance of disadvantage students and also improving attainment and progress in Science.

There were a number of enrichment opportunities available to students throughout the year including a variety of day and residential trips. Some of these were specifically linked to subject areas e.g. the year 8 geography residential trip while others helped students to develop skills of teamwork and collaborative thinking e.g. Duke of Edinburgh Bronze Award.

We have continued to reap the benefits from recent building improvement work and we staged two large Citizenship events – the Citizenship Fair and the Black History Month carnival celebration.

The school is a truly inclusive school and we have continued to show a specialism in educating young people with a visual impairment or a speech, language or communication disorder.

The school was subject to a one day short Ofsted inspection. At the end of this the school was deemed to be a good school in all aspects.

##### Key financial performance indicators

1) Staffing costs to be within +/- 2% of budget allocations:

For the period ending 31st August 2016 teaching costs were at 94.88% of budget allocation and overall staffing costs were at 97.84% of total budget allocation, the shortfall is due to Maternity leave and in year staff resignations.

Staffing costs are the Academy's main expense and the good value and commitment of our staff are reflected in our examination results.

2) Learning resources expenditure to be within +/- 5% of budget allocation:

For the period ending 31st August 2016 learning resources expenditure was at 90.28% of budget allocation, this is due to a change of supplier and cost cutting measures.

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

In all of our expenditure the Business Manager, Finance Manager, Governors and Leadership Team will obtain the best value and will investigate choices and options available.

#### Other key performance indicators

#### Year 11 headline figures

Cohort Summary	Total	Percent
Cohort	206	100
Average Total Points	386.59	
Average Total Capped8	325.55	
Average Total Capped8 inc EM	325.08	
Average Total Capped8 +EM	406.57	
Average Total Capped8 GCSE Only	316.36	
Average Grade Per Student	C	
Average Points Per Grade Per Student	39.28	
Average Grade Per Student (Capped at Best 8)	C	
Average Points Per Grade Per Student (Capped at Best 8)	40.69	
Progress/Attainment 8	Total	Percent
Average Total Attainment 8	50.63	
Average Total Progress 8	0.03	
5 A*-C Measures	Total	Percent
Students with 5 x A*-C	139	67.5
Students with 5 x A*-C inc English & Maths	121	58.7
Students with 5 x A*-C inc English, Maths & Science	102	49.5
E-Bacc Total Measure	Total	Percent
Students in COHORT Achieving the E-BACC	31	15
Progress Measures	Total	Percent
Students making 3+ LOP in English	169	83.7
Students making 4+ LOP in English	86	42.6
Students making 3+ LOP in Maths	133	65.5
Students making 4+ LOP in Maths	60	29.6
Value Added Total Measure	Total	Percent
Capped8 +EM VA Score	1010.509	



# BLACKFEN SCHOOL FOR GIRLS

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 <sup>th</sup> Form Headline figures		
Cohort Summary	Total	Percent
Cohort	129	
A Level Cohort	102	
A Level FTE Cohort	76.79	
Qualification Rate	Total	Percent
Success Rate		65.9
Retention Rate		73.4
Achievement Rate		89.8
Overall	Total	Percent
Overall APS Per Pupil	101.91	
Overall APS Per Entry	31.62	
Overall Avg Grade Per Entry	C	
A Level & Other Academic	Total	Percent
Academic Avg Grade Per Entry	C-	
Academic 1+ A*- B	43	42.2
Academic 2+ A*- B	21	20.6
Academic 3+ A*- B	8	7.8
Academic 1+ A*- C	74	72.5
Academic 2+ A*- C	54	52.9
Academic 3+ A*- C	22	21.6
Academic 1+ A*- E	93	91.2
Academic 2+ A*- E	71	69.6
Academic 3+ A*- E	49	48

### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust 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.

### **Financial review**

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August;

<b>Fund</b>	<b>Category</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
GAG	Restricted General Funds	0	0
Other DfE/EFA Grants	Restricted General Funds	36	0
Other Income	Restricted General Funds	40	13
<b>Sub-total</b>	<b>General Restricted Funds</b>	<b>76</b>	<b>13</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	302	90
Other Income	Unrestricted General Fund	334	511
<b>Sub-Total</b>	<b>Spendable Funds</b>	<b>712</b>	<b>614</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	21,447	22,071
Salix Energy Loan	Restricted Fixed Asset Fund	(23)	(23)
Share of LGPS Deficit	Restricted Pension Reserve	(2040)	(1,053)
<b>Total</b>	<b>All Funds</b>	<b>20,096</b>	<b>21,609</b>

#### Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the Governors review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

#### Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

#### Principal risks and uncertainties

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

#### **Plans for future periods**

The principal task facing the company is to maintain and continue to improve the good educational standards to outstanding. More specifically, the key objectives for the next academic year are to:

- ensure there is outstanding leadership & management at all levels that improves teaching, learning and assessment, behaviour, development and welfare and outcomes for all pupils
- continue to raise standards and accelerating progress by improving teaching, learning and assessment to outstanding
- continue to develop conditions for learning so that behaviour, development and welfare throughout the school is outstanding
- continue to raise standards and accelerating progress so that outcomes for pupils, including groups, is outstanding.

We plan to implement the above objectives through our Raising Attainment Plan below.

**OBJECTIVE 1: Leadership and Management** - Outstanding leadership & management at all levels, improve teaching learning and assessment, pupil behaviour, development and welfare and pupil outcomes to outstanding by ensuring there is robust Self Evaluation and Performance Management in place that is firmly linked to the four priorities of the School Raising Attainment Plan reinforced through effective Continual Professional Development of all staff.

To be achieved through:

- developing a culture of leadership at all levels that focuses on progress and accountability in all areas of teaching & learning
- training for all stakeholders to focus on growth mindset
- the process of appraisal ensuring improved and consistently high outcomes (above the national expectations) and progress
- effective management minimising impact of staff turbulence on T&L & progress (especially sickness and planned absence) and to improve staff welfare
- recruitment and retention of high quality staff and Governors
- reviewing the curriculum in the light of ongoing changes to ensure that it meets the vision of the school
- reducing staffing cost of the school from 80% to 77-78%
- ensuring safeguarding is effective
- involving all stakeholders in the strategic building plan for the school
- ensuring that all stakeholders are aware of the latest developments in terms of the academy agenda
- governors are discharging statutory duties
- ensuring the school is financially viable moving forward.

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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**OBJECTIVE 2: Quality of Teaching** - Improving teaching, learning and assessment to outstanding so that the percentage of observed lessons judged to be good or better is greater than 90% by the end of the autumn term, and greater than 90% by July 2017 and that 90% of students and parents agree that teaching is good or better.

To be achieved through:

- embedding the growth mindset culture at Blackfen introduced last year
- embedding outstanding T&L strategies which further develop a culture of growth mindsets
- continuing to promote assessment and feedback methods that lead to a growth mindset.

**OBJECTIVE 3: Behaviour and Safety of Students** - Developing conditions for learning to outstanding so that pupils behaviour, development and welfare throughout the school is outstanding.

To be achieved through:

- ensuring pupils' attitudes to learning are exemplary
- ensuring pupils' behaviour outside lessons is almost always impeccable
- ensuring there is skilled and highly consistent behaviour management by all staff that makes a strong contribution to an exceptionally positive climate for learning
- improving the emotional support for pupils.

**OBJECTIVE 4: Achievement** - Raising standards and accelerating progress to outstanding so that outcomes for all pupils are above the national standards in KS2-KS4 progress (Progress 8 above 0).

To be achieved through:

- ensuring all pupils meet or exceed their key stage targets (separate actions for KS3, 4, 5)
- closing the gap FSM, LAC, EAL, AEN, Y7 Catch-up, ethnic minorities, white British.
- increasing the proportion of higher attaining pupils achieving Level 7+ KS3, A-A\* GCSE, A-A\* AS & A2.

The main objectives during the last year were to:

- improve the quality of teaching and learning
- raise standards and accelerate progress
- develop the right conditions for learning
- ensure that leadership and management improves teaching and learning, student progress and attainment.

#### **Funds held as custodian trustee on behalf of others**

The academy trust is not acting as custodian for any other external body.

#### **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.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 14 December 2016 and signed on its behalf by.



Mr S J Fitzgerald  
**Appointed Governor / Chair of Governors**

# BLACKFEN SCHOOL FOR GIRLS

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Blackfen School 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 has delegated the day-to-day responsibility to Mr M Brown, the Head Teacher, 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 Blackfen School For Girls and the Secretary of State for Education. They are 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 5 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr W Stone (Appointed Governor )	4	5
Mrs J Andrews (Appointed Governor)	3	5
Mr S J Fitzgerald (Appointed Governor/ Chair of Governors)	3	5
Mr S J Rogers (Appointed Governor)	0	5
Mrs C S Townsend (Appointed Governor)	4	5
Mr M Brown (Head Teacher & Accounting Officer)	5	5
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance)	1	5
Mr K Jones (Elected Parent Governor)	4	5
Mr T Perrin (LA Appointed Governor)	4	5
Dr K Hayward (Elected Parent Governor)	4	5
Ms K Brewer (Elected Staff Governor)	3	5
Mrs A Middleton (Appointed Governor)	3	5
Ms J Phelps (Elected Parent Governor)	4	5
Mrs J Allen (elected Staff Governor)	1	4
Mr E Sweatman (Elected Staff Governor)	5	5
Mr T Ford (Elected Parent Governor)	0	3
Mrs E Drummond (Elected Parent Governor)	2	5
Mrs A Dhorajiwala (Elected Parent Governor)	3	5

Mrs A Middleton resigned as Appointed Governor on 7<sup>th</sup> July 2016 a new Governor will be appointed soon.

### Governance reviews:

The trust intends to conduct its next self-evaluation review of governance on the 14 December 2016.

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to plan and recommend budget for approval by the Full Governing Body. They obtain regular reports from the Responsible Officer, Business Manager, Finance Manager and the Academy's Auditors. The Finance & Audit Committee has formally met 5 times during the year. Attendance at meetings in the year was as follows:

**BLACKFEN SCHOOL FOR GIRLS**

**GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr S J Fitzgerald (Appointed Governor)	3	5
Mr S J Rogers (Appointed Governor)	1	5
Mrs C S Townsend (Appointed Governor)	3	5
Mr M Brown (Head Teacher & Accounting Officer)	4	5
Mr S Monger-Godfrey (Appointed Governor / Chair of Finance)	5	5
Mr K Jones (Elected Parent Governor)	3	5
Mr T Perrin (LA Appointed Governor)	4	5

**Review of Value for Money**

As accounting officer the Head Teacher 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 each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

**1 Staffing**

The Governors have a strategic budget cost reduction plan. As the largest cost for the Academy I ensure that the Academy continuously analyses the staffing needs against the staffing allocation. This information is reported to, and discussed at, Governors Committee meetings (Finance and Audit and Staffing) in November, February and May. I acknowledge the significant impact that being overstaffed can have on the budget and I aim to ensure that no more than 80% of the budget is allocated to staffing. We were successful in meeting this aim for 2015-2016. Weighed up against this is the importance of recruiting a suitably qualified and skilled staff. Our rigorous recruitment processes ensure this happens and we have a clear strategic plan in terms of the recruitment and retention of high quality teaching staff.

As Accounting Officer I am fully aware of the need to be bearing down on costs and I acknowledge that forthcoming budgets will continue to be "flat". As part of our Budget Cost Reduction plan we will continue to review how effectively we use staff in the school especially as there will be cost of living rises for all staff during the next year. Changes to our staffing structure will reflect this plan.

**2 IT support contract**

As part of our budget cost reduction plan we conducted an internal and external review of our IT support provision. As a result of this review Governors took the decision to outsource our IT support provision to ensure that the school gained improved value for money. The costs of this are highlighted in the accounts. It is estimated that this decision will save the school £137,000.00 during the next three years whilst also improving service delivery.

**3 Energy efficiencies**

We have embarked on a process of continually reviewing our existing costs and investigating how we can be more energy efficient. Areas which have been redecorated this year, including our 6<sup>th</sup> form area, have also been updated in terms of lighting facilities. These facilities, added to our work in 2013-14 on lighting in our main block, will continue to ensure that the school is conserving energy and, in turn, reducing costs

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **4 Financial processes**

During the year, through the work of the Business Manager and the Finance Manager, financial processes within the Academy have been streamlined to improve productivity and efficiency and to reduce cost. Our internal controls are sound, tendering processes are agreed with the Governors and are thorough and finances are regularly monitored by myself. The Business Manager has scrutinised all of our contracts and services. Some services have been renegotiated and this has saved money. We continue to look at ways to save money in this area.

### **5 Catering contract**

We reviewed our catering contract during 2014-2015 and a new provider started in September 2015. This has provided improved dining and catering options for staff and students in the school. There has been some capital investment by the catering company. With increased uptake we are starting to see the benefits of the new contract for the school during the next year.

### **6 Students and educational outcomes**

I oversee all spending which directly impact on student achievement, for example the effective use of pupil premium money and the effective use of catch up money. It has been another successful year of raising aspirations and releasing potential at Blackfen School. At KS5 we have continued to invest in our curriculum opportunities for our young people. Our KS5 results in 2016 were our best ever. We are ever mindful of the competition there is to ensure we have numbers of students in the school in both year 7 and the sixth form.

### **6 Collaboration**

The Academy formed an Umbrella Trust – The Penhill Academies Trust – with two partner schools. These schools are Sherwood Park (primary school) and Hurstmere (boys 11-16 school). The three schools are now working together for the benefit of the local community. During 2015-16 there was continued collaborative work. A key aspect of this collaborative working is to share some costs, hence be more efficient, in terms of potential staffing and purchasing power. The Trust is actively seeking further collaboration at the present time.

### **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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blackfen School For Girls for the period 1 September 2015 to 31 August 2016 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 Academy Trust 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 Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors

# **BLACKFEN SCHOOL FOR GIRLS**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **The risk and control framework**

The Academy Trust'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 Audit 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 approved the continuation of the External Responsible Officer (RO). The Prior governor appointed as Internal Responsible Officer (RO) Miss B Fadipe resigned midyear, which left the Responsible Officer (RO) role vacant; the board of Governors have agreed not to replace this function.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the board of governors, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

The Responsible Officer visited 2 times during the year. Checks carried out included

- Check 1 Testing of Purchasing and Payments
- Check 2 Testing of Payroll
- Check 3 Testing of Expenses
- Check 4 Testing of Bank Reconciliation
- Check 5 Testing of Income
- Check 6 Testing of Fund Manager

No material control issues have been notified to Governors as a result of the RO's work.

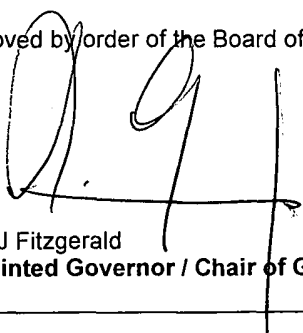
### **Review of effectiveness**

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 responsible officer
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit 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 14 December 2016 and signed on its behalf by:



Mr S J Fitzgerald  
Appointed Governor / Chair of Governors



Mr M Brown  
Accounting Officer



# **BLACKFEN SCHOOL FOR GIRLS**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

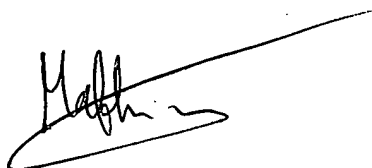
***FOR THE YEAR ENDED 31 AUGUST 2016***

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As Accounting Officer of Blackfen School for Girls I have considered my responsibility to notify the Academy Trust Board of Governors and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's 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 2015.

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.



Mr M Brown  
**Accounting Officer**  
14 December 2016

# BLACKFEN SCHOOL FOR GIRLS

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors (who act as Trustees for Blackfen School for Girls and are also the Directors of Blackfen School for Girls for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare Financial Statements for each financial year. Under company law the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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:

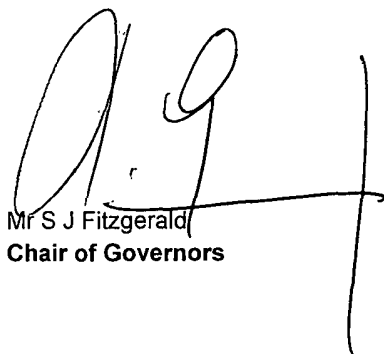
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Governors on 14 December 2016 and signed on its behalf by:



Mr S J Fitzgerald  
Chair of Governors

# **BLACKFEN SCHOOL FOR GIRLS**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLACKFEN SCHOOL FOR GIRLS**

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We have audited the Financial Statements of Blackfen School for Girls for the year ended 31 August 2016 set out on pages 21 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and Auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 16, the Governors, who are also the Directors of Blackfen School for Girls for the purposes of company law, are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 incorporated 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 on Financial Statements**

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the Academies Accounts Direction 2015 to 2016.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

# **BLACKFEN SCHOOL FOR GIRLS**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLACKFEN SCHOOL FOR GIRLS (CONTINUED)**

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

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

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

**David John Walsh FCCA (Senior Statutory Auditor)**

**For and on behalf of Baxter & Co**

**Statutory Auditor**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 21 December 2016

# **BLACKFEN SCHOOL FOR GIRLS**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLACKFEN SCHOOL FOR GIRLS AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 15 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blackfen School for Girls during the period 1 September 2015 to 31 August 2016 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 Blackfen School for Girls and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Blackfen School for Girls and 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 Blackfen School for Girls and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Blackfen School for Girls's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Blackfen School for Girls's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2015, issued by the EFA.

# **BLACKFEN SCHOOL FOR GIRLS**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLACKFEN SCHOOL FOR GIRLS AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 21 December 2016

# BLACKFEN SCHOOL FOR GIRLS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000 (see over)
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	1	230	231	246
Charitable activities:						
- Funding for educational operations	4	35	7,609	-	7,644	7,744
Other trading activities	5	47	290	-	337	277
Investments	6	4	-	-	4	5
<b>Total income and endowments</b>		<u>86</u>	<u>7,900</u>	<u>230</u>	<u>8,216</u>	<u>8,272</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	<u>263</u>	<u>7,883</u>	<u>647</u>	<u>8,793</u>	<u>8,884</u>
<b>Total expenditure</b>	7	<u>263</u>	<u>7,883</u>	<u>647</u>	<u>8,793</u>	<u>8,884</u>
<b>Net income/(expenditure)</b>		(177)	17	(417)	(577)	(612)
Transfers between funds		-	(5)	5	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	<u>-</u>	<u>(936)</u>	<u>-</u>	<u>(936)</u>	<u>(112)</u>
<b>Net movement in funds</b>		(177)	(924)	(412)	(1,513)	(724)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>511</u>	<u>(1,040)</u>	<u>22,138</u>	<u>21,609</u>	<u>22,333</u>
Total funds carried forward		<u>334</u>	<u>(1,964)</u>	<u>21,726</u>	<u>20,096</u>	<u>21,609</u>

The comparative figures for 2015 are analysed according to fund on the next page of these financial statements.

# BLACKFEN SCHOOL FOR GIRLS

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

### SUPPLEMENTARY NOTE:

### COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2015 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	246	246
Charitable activities:					
- Funding for educational operations	4	82	7,662	-	7,744
Other trading activities	5	38	239	-	277
Investments	6	5	-	-	5
<b>Total income and endowments</b>		<u>125</u>	<u>7,901</u>	<u>246</u>	<u>8,272</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	<u>265</u>	<u>7,964</u>	<u>655</u>	<u>8,884</u>
<b>Total expenditure</b>	7	<u>265</u>	<u>7,964</u>	<u>655</u>	<u>8,884</u>
<b>Net income/(expenditure)</b>		(140)	(63)	(409)	(612)
Transfers between funds		-	26	(26)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	19	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>(112)</u>
<b>Net movement in funds</b>		(140)	(149)	(435)	(724)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>651</u>	<u>(891)</u>	<u>22,573</u>	<u>22,333</u>
Total funds carried forward		<u>511</u>	<u>(1,040)</u>	<u>22,138</u>	<u>21,609</u>



# BLACKFEN SCHOOL FOR GIRLS

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	21,447	22,071
<b>Current assets</b>			
Debtors	13	113	255
Cash at bank and in hand		991	951
		1,104	1,206
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(402)	(597)
<b>Net current assets</b>		702	609
<b>Total assets less current liabilities</b>		22,149	22,680
Creditors: amounts falling due after more than one year	15	(13)	(18)
<b>Net assets excluding pension liability</b>		22,136	22,662
Defined benefit pension liability	19	(2,040)	(1,053)
<b>Total net assets</b>		20,096	21,609
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		21,726	22,138
- Restricted income funds		76	13
- Pension reserve		(2,040)	(1,053)
<b>Total restricted funds</b>		19,762	21,098
<b>Unrestricted income funds</b>	17	334	511
<b>Total funds</b>		20,096	21,609

The Financial Statements set out on pages 21 to 42 were approved by the Board of Governors and authorised for issue on 14 December 2016 and are signed on its behalf by:

Mr S J Fitzgerald  
Chair of Governors

Company Number 07974098

# BLACKFEN SCHOOL FOR GIRLS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20		(171)		(142)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		4		5	
Capital grants from DfE and EFA		230		246	
Payments to acquire tangible fixed assets		(23)		(273)	
			211		(22)
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		-		(5)	
			-		(5)
<b>Change in cash and cash equivalents in the reporting period</b>			40		(169)
Cash and cash equivalents at 1 September 2015			951		1,120
<b>Cash and cash equivalents at 31 August 2016</b>			991		951

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 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.

##### 1.1 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 Financial Statements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Blackfen School for Girls meets the definition of a public benefit entity under FRS 102.

These Financial Statements for the year ended 31 August 2016 are the first Financial Statements of Blackfen School for Girls prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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.

##### 1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### 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 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.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period 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.

###### 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.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

##### 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.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

#### 1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### 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.

##### Governance costs

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

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

##### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 Trust's depreciation policy.

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

Leasehold Land and buildings	2% - 5% Straight Line
Furniture and equipment	20% Straight Line
Computer equipment	33.33% Straight Line

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

##### Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use.

##### Buildings

In accordance with the requirements of FRS 102, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

##### Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities.

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.

##### 1.6 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.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Taxation

The Academy Trust 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 Trust 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.

#### 1.9 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 and the assets are held separately from those of the Academy Trust.

##### Teachers' Pension Scheme

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 19, 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 are recognised in the period to which they relate.

##### Local Government Pension Scheme

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.

#### 1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

#### 1.11 Agency Arrangement

The academy trust acts as agent in distributing 16-19 bursary funds from EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held are disclosed in note 25.

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

Accounting 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2016.

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	230	230	246
Other donations	-	1	1	-
	<u>-</u>	<u>231</u>	<u>231</u>	<u>246</u>

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	7,119	7,119	7,136
Other DfE / EFA grants	-	218	218	165
	<u>-</u>	<u>7,337</u>	<u>7,337</u>	<u>7,301</u>
<b>Other government grants</b>				
SEN grants	-	94	94	108
Local authority grants	-	9	9	20
	<u>-</u>	<u>103</u>	<u>103</u>	<u>128</u>
<b>Other funds</b>				
Voluntary Funds	-	166	166	232
Other incoming resources	35	3	38	83
	<u>35</u>	<u>169</u>	<u>204</u>	<u>315</u>
<b>Total funding</b>	<u>35</u>	<u>7,609</u>	<u>7,644</u>	<u>7,744</u>

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	39	-	39	38
Catering income	8	290	298	239
	<u>47</u>	<u>290</u>	<u>337</u>	<u>277</u>

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	4	-	4	5



# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
<b>Academy's educational operations</b>					
- Direct costs	4,762	518	669	5,949	6,140
- Allocated support costs	1,558	289	997	2,844	2,744
	<u>6,320</u>	<u>807</u>	<u>1,666</u>	<u>8,793</u>	<u>8,884</u>
<b>Total expenditure</b>	<u>6,320</u>	<u>807</u>	<u>1,666</u>	<u>8,793</u>	<u>8,884</u>

### Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	9	6
- Other non-audit services	17	10
Operating lease rentals	21	14
Depreciation of tangible fixed assets	<u>647</u>	<u>655</u>

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	263	5,686	5,949	6,140
Support costs - educational operations	-	2,844	2,844	2,744
	<u>263</u>	<u>8,530</u>	<u>8,793</u>	<u>8,884</u>
<b>Analysis of support costs</b>			<b>2016 £'000</b>	<b>2015 £'000</b>
Support staff costs			1,558	1,449
Depreciation and amortisation			129	130
Premises costs			475	579
Other support costs			655	568
Governance costs			<u>27</u>	<u>18</u>
			<u>2,844</u>	<u>2,744</u>

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 9 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	4,737	5,006
Social security costs	381	352
Operating costs of defined benefit pension schemes	800	687
Staff costs	5,918	6,045
Supply staff costs	346	281
Staff restructuring costs	56	-
Total staff expenditure	6,320	6,326

### Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2016 Number	2015 Number
Teachers	80	90
Administration and support	98	90
Management	10	10
	188	190

### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,000 - £70,000	6	7
£70,001 - £80,000	3	1
£100,001 - £110,000	1	1

### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56k (2015: £nil). Individually, the payments were: £6k, £6k, £14k, £8k, £4k and £18k.

### 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 contributions) received by key management personnel for their services to the Academy Trust was £960,114.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 10 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

Mr M Brown (Head Teacher):

- Remuneration £105,000 - £110,000 (2015: £100,000 - £105,000)
- Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

Ms K Brewer (elected Staff Governor):

- Remuneration £60,000 - £65,000 (2015: £60,000 - £65,000)
- Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

Mr E Sweatman (elected Staff Governor):

- Remuneration £50,000 - £55,000 (2015: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Ms J Allen (elected Staff Governor):

- Remuneration £5,000 - £10,000 (2015: not appointed)
- Employer's pension contributions £0 - £5,000 (2015: not appointed)

During the year, expenses totalling £689 (2015: £462) were reimbursed or paid directly to 2 Governors (2015: 1 Governor) in respect of expenses incurred in performing the duties of employment.

Other related party transactions involving the Governors are set out within the related parties note.

#### 11 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was included within the total insurance cost and is unable to be determined separately (2015: £2,140).

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 12 Tangible fixed assets

	Leasehold Land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2015	24,099	80	92	24,271
Additions	11	12	-	23
At 31 August 2016	24,110	92	92	24,294
<b>Depreciation</b>				
At 1 September 2015	2,070	55	75	2,200
Charge for the year	616	18	13	647
At 31 August 2016	2,686	73	88	2,847
<b>Net book value</b>				
At 31 August 2016	21,424	19	4	21,447
At 31 August 2015	22,029	25	17	22,071

Leasehold Land is included at a nominal value of £1, reflecting legal restrictions over how the land may be used.

#### 13 Debtors

	2016 £'000	2015 £'000
Trade debtors	10	14
VAT recoverable	29	117
Other debtors	-	23
Prepayments and accrued income	74	101
	<u>113</u>	<u>255</u>

#### 14 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Government loans	10	5
Trade creditors	68	230
Other taxation and social security	114	113
EFA creditors	9	24
Other creditors	93	89
Accruals and deferred income	108	136
	<u>402</u>	<u>597</u>

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Government loans	13	18
<b>Analysis of loans</b>		
Wholly repayable within five years	23	23
Less: included in current liabilities	(10)	(5)
Amounts included above	13	18
<b>Loan maturity</b>		
Debt due in one year or less	10	5
Due in more than one year but not more than two years	5	5
Due in more than two years but not more than five years	8	13
	23	23

Upon conversion the academy inherited a loan under a government sponsored scheme providing finance loans for the purpose of purchasing energy efficient equipment.

No subsequent loan arrangements have been entered into.

<b>16 Deferred income</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Deferred income is included within:		
Creditors due within one year	55	47
Deferred income at 1 September 2015	47	88
Released from previous years	(47)	(88)
Amounts deferred in the year	55	47
<b>Deferred income at 31 August 2016</b>	<b>55</b>	<b>47</b>

Deferred income consists of £55k (2015: £47k) of trip income received in advance.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	7,119	(7,114)	(5)	-
Pupil premium	-	56	(20)	-	36
Other DfE / EFA grants	-	162	(162)	-	-
Other government grants	-	103	(97)	-	6
Other restricted funds	13	460	(439)	-	34
	<u>13</u>	<u>7,900</u>	<u>(7,832)</u>	<u>(5)</u>	<u>76</u>
Funds excluding pensions	13	7,900	(7,832)	(5)	76
Pension reserve	(1,053)	-	(51)	(936)	(2,040)
	<u>(1,040)</u>	<u>7,900</u>	<u>(7,883)</u>	<u>(941)</u>	<u>(1,964)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	500	230	(18)	5	717
Inherited funds	21,618	-	(600)	-	21,018
Capital expenditure from GAG and other funds	20	-	(29)	-	(9)
	<u>22,138</u>	<u>230</u>	<u>(647)</u>	<u>5</u>	<u>21,726</u>
<b>Total restricted funds</b>	<u>21,098</u>	<u>8,130</u>	<u>(8,530)</u>	<u>(936)</u>	<u>19,762</u>
<b>Unrestricted funds</b>					
General funds	511	86	(263)	-	334
<b>Total funds</b>	<u>21,609</u>	<u>8,216</u>	<u>(8,793)</u>	<u>(936)</u>	<u>20,096</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 confirms that the limit was not exceeded.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid. The fund also includes a deduction in respect of outstanding government capital loan balance.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	21,447	21,447
Current assets	334	468	302	1,104
Creditors falling due within one year	-	(392)	(10)	(402)
Creditors falling due after one year	-	-	(13)	(13)
Defined benefit pension liability	-	(2,040)	-	(2,040)
	<u>334</u>	<u>(1,964)</u>	<u>21,726</u>	<u>20,096</u>

### 19 Pensions 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 the London Borough of Bexley. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £93k (2015: £89k) were payable to the schemes at 31 August 2016 and are included within creditors.

#### 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

Not less than every four years 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.

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 19 Pensions and similar obligations

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 (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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 the TPS in the period amounted to £545k (2015: £462k).

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

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.5% for employers and 5.5% to 6.8% for employees.

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

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	242	264
Employees' contributions	63	59
Total contributions	305	323
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.30	3.80
Rate of increase for pensions in payment	1.90	2.30
Discount rate	2.10	4.00
Rate of CPI Inflation	1.80	2.30



# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 19 Pensions and similar obligations

##### Sensitivity Analysis

Scheme liabilities have been valued at £4,494k (2015: £2,843k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £4,395k (2015: £2,780k)

If the inflation rate were to increase by 0.1%, liabilities would be measured at £4,596k (2015: £2,908k)

If the life expectancy were to increase by a year, liabilities would be measured at £4,572k (2015: £2,893k)

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

	2016 Years	2015 Years
Retiring today		
- Males	23.20	23.10
- Females	25.60	25.50
Retiring in 20 years		
- Males	25.50	25.40
- Females	28.50	28.40

##### The Academy Trust's share of the assets in the scheme

	2016 Fair value £'000	2015 Fair value £'000
Equities	1,517	1,059
Other Bonds	189	156
Cash/Liquidity	32	34
Property	272	208
Other assets	444	333
Total market value of assets	2,454	1,790

Actual return on scheme assets - gain/(loss)	385	46
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##### Amounts recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	255	225
Net interest cost	38	9

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 19 Pensions and similar obligations

<b>Changes in the present value of defined benefit obligations</b>	<b>2016</b>
	<b>£'000</b>
Obligations at 1 September 2015	2,843
Current service cost	244
Interest cost	115
Employee contributions	63
Actuarial loss	1,255
Benefits paid	(26)
	<hr/>
At 31 August 2016	4,494
	<hr/>
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2016</b>
	<b>£'000</b>
Assets at 1 September 2015	1,790
Interest income	66
Return on plan assets (excluding amounts included in net interest): Actuarial gain	319
Employer contributions	242
Employee contributions	63
Benefits paid	(26)
	<hr/>
At 31 August 2016	2,454
	<hr/>

### 20 Reconciliation of net expenditure to net cash flows from operating activities

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure for the reporting period	(577)	(612)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(230)	(246)
Investment income	(4)	(5)
Defined benefit pension costs less contributions payable	13	(39)
Defined benefit pension net finance cost/(income)	38	9
Depreciation of tangible fixed assets	647	655
(Increase)/decrease in debtors	142	150
Increase/(decrease) in creditors	(200)	(54)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(171)</b>	<b>(142)</b>
	<hr/>	<hr/>

# BLACKFEN SCHOOL FOR GIRLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	26	16
Amounts due in two and five years	39	43
	<u>65</u>	<u>59</u>

#### 22 Capital commitments

	2016 £'000	2015 £'000
Expenditure contracted for but not provided in the Financial Statements	<u>190</u>	<u>-</u>

At 31 August 2016 the academy was committed to a boiler project with total expected costs of £201k. Cost incurred by the year end were £11k, meaning there are anticipated future costs of £190k. The whole project is due to be funded by EFA capital grant.

#### 23 Related party transactions

Owing to the nature of the Academy Trust'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 Governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following transactions took place in the period of account.

The academy purchased services from MiddletonMurray a limited company registered in England and Wales (Company No. 06815186) for £22,800 (2015: £1,100) and received income of £nil (2015: £1,500). MiddletonMurray is a related party by the virtue that it's CEO (Angela Middleton) is also a Governor/Director at the Academy. At the year end the Academy was owed £nil (2015: £1,500) which is included in debtors and owed £nil (2015: £1,100) which is included in amounts falling due within one year.

In entering into these transactions the trust has complied with the requirements of Academies Financial Handbook 2015.

#### 24 Members' liability

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

# **BLACKFEN SCHOOL FOR GIRLS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

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#### **25 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £23,177 (2015: £23,042) and disbursed £18,820 (2015: £16,584) from the fund. An administration charge of £1,159 (2015: £1,152) was made leaving an amount of £8,504 (2015: £5,306) is included within creditors: amounts falling due in less than one year relating to undistributed funds that are repayable to the EFA.