
THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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



THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013

Governors

Mr J R Dutnall, Headteacher¹
Mr A Morgan, Chair of Trustee Finance Committee^{1,2}
The Revd Fr R S P Hingley, Chairman of Governors^{1 2}
Miss A Smart, Community Trustee^{1,2}
Mrs P E Wilkes, Community Governor¹
Mrs S Malik-Rumble, Community Governor¹
Ms L Chapman, Community Governor¹
Mrs M Clay, Parent Governor¹
Mrs T L Stockwell, Parent Governor¹
Mr P A O'Kelly, Parent Governor¹
Mrs J A Chenery, Parent Governor¹
Mr P G Green, Co-opted Governor
Mrs L A Nicholls, Staff Governor¹
Mrs P Green, Staff Governor¹

¹ Director

² Trustee

Company registered number

08102628

Principal and registered office

Brentwood Road, Romford, Essex, RM1 2RR

Company secretary

Mrs J Coxon

Chief executive officer

Mr J R Dutnall

Senior management team

Mr J R Dutnall, Headteacher
Mrs M Sidhu, Deputy Headteacher Mr D
Turrell, Assistant Headteacher Miss E
Fowkes, Assistant Headteacher Mrs J
Payne, Assistant Headteacher
Ms E Burnett, Business Manager

Independent auditors

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

Solicitors

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Frances Bardsley Academy For Girls (the academy) for the period ended 31 August 2013. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The Academy is a company limited by guarantee and an exempt charity. It was set up on 12th June 2012 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became an academy on 1st July 2012. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of The Frances Bardsley Academy for Girls Trust and some are also the directors of the Charitable Company for the purposes of company law.

Details of governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The academy is constituted under a Memorandum of Association dated 12 June 2012.

b MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The governors are appointed under the terms of the Academy's articles of association.

- Eight Foundation Governors, appointed under Article 50
- Two Staff Governors, appointed under Article 50A,
- One Local Governor, appointed under Article 51,
- Two Parent Governors elected or appointed under Articles 53-58,
- the Principal,
- any Additional Governors, if appointed under Article 62, 62A or 68A, and
- any Further Governors, if appointed under Article 63 or Article 68A,
- The Academy Trust may also have up to two Co-opted Governors appointed under Article 59.

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

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

During the period under review the governors held 17 (if including committees) meetings. The training and induction provided for new governors will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies,

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**GOVERNORS' REPORT (continued) FOR
THE PERIOD ENDED 31 AUGUST 2013**

procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable Company

e. ORGANISATIONAL STRUCTURE

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

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

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

f. RISK MANAGEMENT

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

g. PRINCIPAL ACTIVITIES

The principal activity of the Charitable Company is to advance, for the public benefit, secondary education in Havering and the surrounding area by maintaining and operating The Frances Bardsley Academy for Girls.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of The Frances Bardsley Academy for Girls, to provide education in Havering.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the period ended 31 August 2013 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

The Academy's vision is to create

- a strong ethos of achievement leading to improved standards
- personal responsibility to others

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

This is achieved through developing

- a sense of personal identity
- an emphasis on personal and community responsibility
- a positive learning climate in terms of the nature of opportunities offered and teaching styles utilised
- positive relationships with external partners

Achievements and performance

a GOING CONCERN

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

b. REVIEW OF ACTIVITIES

Achievements and Performance

Since becoming an academy in July 2012, we have focused on continuous improvement. An emphasis on Maths has seen results rise for two years to their highest ever levels at GCSE. GCSE results with English and Maths continue to be above the national average. At A level 44% of grades were at A*-B level with more students gaining places at their first choice of University than ever. At 94.5%, attendance is above both the national average and our own target. We have had no permanent exclusions since becoming an academy.

The school has refined its values and rebranded itself with a new badge, colour scheme, prospectus and clearer signage. A larger more focused Finance Team with two new members of staff has improved efficiency with ParentMail and ParentPay introduced to improve communications and simplicity. We have taken advantage of funding available to academies to improve the windows and roofing with nearly £500,000 allocated to us.

The curriculum at both key stage 4 and 5 has been reviewed and improved. In the Sixth Form we have the largest offer of subjects ever and the biggest Year 12 in the school's history. In Key Stage 4, five coloured pathways offer academic challenge, a more vocational route and a track for those with special educational needs.

We have restructured the governing body, increasing rigour and introducing the Monitoring and Evaluation Committee. All leadership roles have been reviewed with a tighter more focused senior leadership, a larger Sixth Form leadership team and a Faculty system throughout the school. This will lead to more effective collaboration and accountability. We are actively involved with the Havering Secondary Heads and the Association of Maintained Girls Schools and our academy partner school, Sanders Draper, achieved their best GCSE results ever this summer.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Charitable Company was incorporated on 12th June 2012 and commenced operating as an academy school on 1st July 2012. No activities were carried by the company from the date of incorporation until 1st July 2012 when the net assets of the Frances Bardsley School for Girls were transferred to the Charitable Company.

Most of the Academy's income is obtained from the Educational Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the periods ending 1st July 2012 and 31st August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions have been assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

b. RESERVES POLICY

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review.

Reserves at the end of the period amounted to £21,538,858.

Plans for the future

a. FUTURE DEVELOPMENTS

A Sixth Form renovation – adding an extension and refurbishing the interior (£845,000)

A canteen renovation – possible extension (£100,000)

A library renovation (£130,000)

A toilet renovation (£30,000)

Outside facilities to be looked at, including the provision of a canopy (£80,000)

Completion of the Roofing Project for which ACMF funds were received (£93,000)

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

This report was approved by order of the Governing Body on 17 December 2013 and signed on its behalf by



The Revd. Fr R S P Hingley
Chairman of Governors

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that The Frances Bardsley Academy 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 governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Frances Bardsley Academy For Girls and the Secretary of State for Education. They are also responsible for reporting to the governing body 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 Governors' responsibilities statement. The governing body has formally met 9 times during the period. Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr J R Dutnall, Headteacher	9	9
Mr A Morgan, Chair of Finance Committee	8	9
The Revd Fr R S P Hingley, Chairman of Governors	9	9
Miss A Smart, Community Trustee	9	9
Mrs P E Wilkes, Community Governor	5	9
Mrs S Malik-Rumble, Community Governor	4	9
Ms L Chapman, Community Governor	3	9
Mrs M Clay, Parent Governor	6	9
Mrs T L Stockwell, Parent Governor	6	9
Mr P A O'Kelly, Parent Governor	7	9
Mrs J A Chenery, Parent Governor	9	9
Mr P G Green, Co-opted Governor	8	9
Mrs L A Nicholls, Staff Governor	8	9
Mrs P Green, Staff Governor	9	9

The **Finance and General Purposes Committee** is a sub-committee of the main governing body. Its purpose is to make sure that the academy is following EFA financial regulations.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Revd Fr R S P Hingley	4	4
Miss A Smart	4	4
Mr A Morgan	4	4
Mr P A O'Kelly	3	4
Mr J R Dutnall	4	4
Mrs M Clay	2	4
Mr P G Green	2	4
Ms L Chapman	2	4

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of

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GOVERNANCE STATEMENT (continued)

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 The Frances Bardsley Academy For Girls for the period 1 July 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 1 July 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

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

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

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the appointee reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

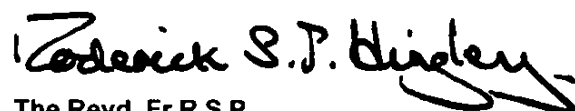
REVIEW OF EFFECTIVENESS

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


- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 17 December 2013 and signed on their behalf, by



**The Revd. Fr R S P
Hingley
Chairman of Governors**



**Mr J R Dutnall
Headteacher**

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Frances Bardsley Academy For Girls I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

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

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



Mr J R Dutnall
Accounting Officer

Date 17 December 2013

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

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

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

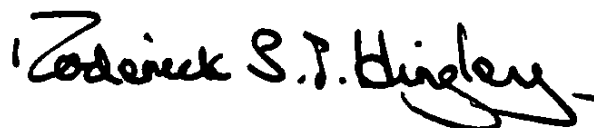
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The 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 grants received from the 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 members of the Governing Body on 17 December 2013 and signed on its behalf by



The Revd. Fr R S P Hingley
Chairman of Governors

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FRANCES BARDSLEY ACADEMY FOR GIRLS

We have audited the financial statements of The Frances Bardsley Academy For Girls for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FRANCES BARDSLEY ACADEMY FOR GIRLS

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
18 December 2013

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE FRANCES
BARDSLEY ACADEMY FOR GIRLS AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Frances Bardsley Academy For Girls during the period 1 July 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to The Frances Bardsley Academy For Girls and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Frances Bardsley Academy For Girls and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Frances Bardsley Academy For Girls and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF THE FRANCES BARDSLEY ACADEMY FOR GIRLS'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of The Frances Bardsley Academy For Girls funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academies Financial Handbook extant from 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE FRANCES
BARDSLEY ACADEMY FOR GIRLS AND THE EDUCATION FUNDING AGENCY (continued)**

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 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

18 December 2013

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	86,820	(312,843)	21,072,949	20,846,926
Activities for generating funds	3	225,290	-	-	225,290
Incoming resources from charitable activities	4	-	8,591,648	340,544	8,932,192
TOTAL INCOMING RESOURCES		312,110	8,278,805	21,413,493	30,004,408
RESOURCES EXPENDED					
Charitable activities		281,431	7,928,328	266,731	8,476,490
Governance costs	5	2,460	3,600	-	6,060
TOTAL RESOURCES EXPENDED	8	283,891	7,931,928	266,731	8,482,550
NET INCOMING RESOURCES BEFORE TRANSFERS		28,219	346,877	21,146,762	21,521,858
Transfers between Funds	19	-	299,769	(299,769)	-
NET INCOME FOR THE YEAR		28,219	646,646	20,846,993	21,521,858
Actuarial gains and losses on defined benefit pension schemes		-	17,000	-	17,000
NET MOVEMENT IN FUNDS FOR THE YEAR		28,219	663,646	20,846,993	21,538,858
<i>Total funds at 1 July 2012</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		28,219	663,646	20,846,993	21,538,858

All activities relate to continuing operations

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

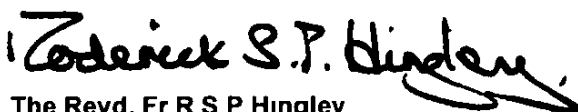
The notes on pages 18 to 34 form part of these financial statements

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)
REGISTERED NUMBER: 08102628

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	15		20,846,993
CURRENT ASSETS			
Stocks	16	4,319	
Debtors	17	279,818	
Cash at bank		1,479,875	
		<u>1,764,012</u>	
CREDITORS amounts falling due within one year	18	(266,147)	
NET CURRENT ASSETS			<u>1,497,865</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,344,858</u>
Defined benefit pension scheme liability	24		(806,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>21,538,858</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	19	1,469,646	
Restricted fixed asset funds	19	20,846,993	
Restricted funds excluding pension liability		22,316,639	
Pension reserve		(806,000)	
Total restricted funds			<u>21,510,639</u>
Unrestricted funds	19		<u>28,219</u>
TOTAL FUNDS			<u><u>21,538,858</u></u>

The financial statements were approved by the Governing Body, and authorised for issue, on 17 December 2013 and are signed on their behalf, by



The Revd. Fr R S P Hingley
Chairman of Governors

The notes on pages 18 to 34 form part of these financial statements

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	14 months ended 31 August 2013 £
Net cash flow from operating activities	21	1,479,875
INCREASE IN CASH IN THE PERIOD		1,479,875

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

	14 months ended 31 August 2013 £
Increase in cash in the period	1,479,875
MOVEMENT IN NET FUNDS IN THE PERIOD	1,479,875
NET FUNDS AT 31 AUGUST 2013	1,479,875

The notes on pages 18 to 34 form part of these financial statements

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight-line basis
Computer equipment	-	33% Straight-line basis

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.8 Stocks

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

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1 11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from The Frances Bardsley School For Girls to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Frances Bardsley Academy For Girls. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funds inherited on conversion	86,820	20,760,106	20,846,926

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Trips Income	187,173	-	187,173
General Income	27,188	-	27,188
Charity Income	4,586	-	4,586
Music Fund Income	2,790	-	2,790
Facility Income	1,700	-	1,700
Shop sales	1,198	-	1,198
Parental Contribution	561	-	561
Bank Interest	94	-	94
	225,290	-	225,290

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Educational Operations	-	8,932,192	8,932,192

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
General Annual Grant	-	8,213,062	8,213,062
Pupil Premium	-	136,434	136,434
Capital Grant	-	321,555	321,555
Bursary Fund	-	10,244	10,244
PE Teacher Grant	-	3,167	3,167
Summer School	-	12,500	12,500
LA Pupil Premium	-	53,962	53,962
Other Government Grant	-	35,564	35,564
Letting Income	-	36,433	36,433
Music Income	-	17,460	17,460
Income From Other School	-	23,317	23,317
Other Income	-	25,137	25,137
Exam Fee Income	-	12,754	12,754
Pupil Welfare	-	11,614	11,614
LA Capital Grant	-	18,989	18,989
	<u>-</u>	<u>8,932,192</u>	<u>8,932,192</u>

5. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance Auditors' remuneration	<u>2,460</u>	<u>3,600</u>	<u>6,060</u>

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

6. DIRECT COSTS

	Educational Operations £	Total 2013 £
Pension income	22,000	22,000
Educational Supplies	257,712	257,712
ICT	83,322	83,322
Exam Fees	131,133	131,133
Agency Supply Staff	64,311	64,311
Maintenance	326,587	326,587
Staff Development	25,823	25,823
Advertising	33,480	33,480
Professional Fees	43,663	43,663
Music Tuition	39,347	39,347
Admin Supplies	17,795	17,795
Other Student Expenses	16,878	16,878
Wages and salaries	4,528,561	4,528,561
National insurance	374,958	374,958
Pension cost	594,818	594,818
	<u>6,560,388</u>	<u>6,560,388</u>

7 SUPPORT COSTS

	Educational Operations £	Total 2013 £
Educational Supplies	35,306	35,306
Cleaning	38,814	38,814
Catering	42,753	42,753
Maintenance	23,384	23,384
Insurance	12,401	12,401
Utility	97,310	97,310
Water & Rates	72,966	72,966
Professional Fees	33,657	33,657
Admin Supplies	26,323	26,323
General expenses	106,251	106,251
Other Student Expenses	6,668	6,668
School Trips	186,909	186,909
Wages and salaries	769,531	769,531
National insurance	50,703	50,703
Pension cost	146,395	146,395
Depreciation	266,731	266,731
	<u>1,916,102</u>	<u>1,916,102</u>

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Educational Operations	5,498,337	-	1,062,051	6,560,388
Support costs - Educational Operations	966,629	266,731	682,742	1,916,102
Charitable activities	6,464,966	266,731	1,744,793	8,476,490
Governance	-	-	6,060	6,060
	6,464,966	266,731	1,750,853	8,482,550

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Educational Operations	6,560,388	1,916,102	8,476,490

10. NET INCOMING RESOURCES

This is stated after charging

	14 months ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the charity	266,731
Auditors' remuneration	6,060

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

11. STAFF COSTS

Staff costs were as follows

	14 months ended 31 August 2013 £
Wages and salaries	5,298,092
Social security costs	425,661
Other pension costs (Note 24)	741,213
	<u><u>6,464,966</u></u>

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

	14 months ended 31 August 2013 No.
Administration	24
Teacher	52
Management	6
	<u><u>82</u></u>

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

	14 months ended 31 August 2013 No
In the band £60,001 - £70,000	13
In the band £70,001 - £80,000	3
In the band £80,001 - £90,000	2
In the band £100,001 - £200,000	1
	<u><u>19</u></u>

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

12. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands

	14 months ended 31 August 2013 £'000
Mrs L Nicholls	40-45
Mrs P Green	45-50
Mr J R Dutnall, Headteacher	125-130

During the period, no Trustees received any reimbursement of expenses

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,039.37

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

14. OTHER FINANCE INCOME

	14 months ended 31 August 2013 £
Expected return on pension scheme assets	127,000
Interest on pension scheme liabilities	(149,000)
	(22,000)

THE FRANCES BARDŚLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

15 TANGIBLE FIXED ASSETS

	Freehold property £	Computer equipment £	Total £
Cost			
At 1 July 2012	-	-	-
Additions	21,072,949	40,775	21,113,724
At 31 August 2013	21,072,949	40,775	21,113,724
Depreciation			
At 1 July 2012	-	-	-
Charge for the period	253,139	13,592	266,731
At 31 August 2013	253,139	13,592	266,731
Net book value			
At 31 August 2013	20,819,810	27,183	20,846,993

16. STOCKS

	2013 £
Finished goods and goods for resale	4,319

17. DEBTORS

	2013 £
Trade debtors	7,476
Other debtors	167,451
Prepayments and accrued income	104,891
	279,818

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

	2013 £
Trade creditors	2,757
Other taxation and social security	106,032
Other creditors	81,943
Accruals and deferred income	75,415
	266,147

THE FRANCES BARDŚLEY ACADEMY FOR GIRLS
(A company limited by guarantee)

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

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	312,110	(283,891)	-	-	28,219
Restricted funds						
Restricted Funds - all funds	-	9,066,805	(7,896,928)	299,769	-	1,469,646
Pension reserve	-	(788,000)	(35,000)	-	17,000	(806,000)
	-	8,278,805	(7,931,928)	299,769	17,000	663,646
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	-	21,413,493	(266,731)	(299,769)	-	20,846,993
Total restricted funds	-	29,692,298	(8,198,659)	-	17,000	21,510,639
Total of funds	-	30,004,408	(8,482,550)	-	17,000	21,538,858

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

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees

Restricted fixed asset funds are resources which are to be applied to specific capital purposes

Restricted general funds are resources for educational purposes

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	312,110	(283,891)	-	-	28,219
Restricted funds	-	8,278,805	(7,931,928)	299,769	17,000	663,646
Restricted fixed asset funds	-	21,413,493	(266,731)	(299,769)	-	20,846,993
	-	30,004,408	(8,482,550)	-	17,000	21,538,858

THE FRANCES BARDSLEY ACADEMY FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	20,846,993	20,846,993
Current assets	78,227	1,685,785	-	1,764,012
Creditors due within one year	(50,008)	(216,139)	-	(266,147)
Provisions for liabilities and charges	-	(806,000)	-	(806,000)
	<u>28,219</u>	<u>663,646</u>	<u>20,846,993</u>	<u>21,538,858</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	14 months ended 31 August 2013 £
Net incoming resources before revaluations	21,521,858
Fixed assets inherited on conversion	(21,072,949)
Fixed assets additions	(40,775)
Depreciation of tangible fixed assets	266,731
Increase in stocks	(4,319)
Increase in debtors	(279,818)
Increase in creditors	266,147
Pension deficit on conversion	788,000
FRS 17 adjustments	35,000
Net cash inflow from operations	<u><u>1,479,875</u></u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	1,479,875	-	1,479,875
Net funds	<u>-</u>	<u>1,479,875</u>	<u>-</u>	<u>1,479,875</u>

23. CONVERSION TO AN ACADEMY TRUST

On 1 July 2012 The Frances Bardsley School For Girls converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Frances Bardsley Academy For Girls from London Borough of Havering Council for £NIL consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred

THE FRANCES BARDLEY ACADEMY FOR GIRLS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	21,072,949	21,072,949
Other assets	86,820	475,157	-	561,977
LGPS pension surplus/(deficit)	-	(788,000)	-	(788,000)
Net assets/(liabilities)	86,820	(312,843)	21,072,949	20,846,926

The above net assets include £465,364 (restricted funds) and £50,000 (unrestricted funds) that were transferred as cash

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Havering Council Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2013

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to

THE FRANCES BARDŚLEY ACADEMY FOR GIRLS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

24. PENSION COMMITMENTS (continued)

assuming that the balance in the Account is invested in notional investments that produce that real rate of return

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

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

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the

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24. PENSION COMMITMENTS (continued)

Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £267,000, of which employer's contributions totalled £202,000 and employees' contributions totalled £65,000. The agreed contribution rates for future years are 20.30% for employers and 6.5% for employees.

The amounts recognised in the Balance sheet are as follows:

	14 months ended 31 August 2013 £
Present value of funded obligations	(3,371,000)
Fair value of scheme assets	2,565,000
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Net liability	(806,000)
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The amounts recognised in the Statement of financial activities are as follows:

	14 months ended 31 August 2013 £
Current service cost	(215,000)
Interest on obligation	(149,000)
Expected return on scheme assets	127,000
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Total	(237,000)
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Actual return on scheme assets	404,000
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24. PENSION COMMITMENTS (continued)

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

	14 months ended 31 August 2013 £
Opening defined benefit obligation	2,831,000
Current service cost	215,000
Interest cost	149,000
Contributions by scheme participants	65,000
Actuarial Losses	259,000
Benefits paid	(148,000)
Closing defined benefit obligation	3,371,000

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

	14 months ended 31 August 2013 £
Opening fair value of scheme assets	2,043,000
Expected return on assets	127,000
Actuarial gains and (losses)	276,000
Contributions by employer	202,000
Contributions by employees	65,000
Benefits paid	(148,000)
	2,565,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £17,000

The academy expects to contribute £176,000 to its Defined benefit pension scheme in 2014

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

	2013
European equities	73.00 %
Bonds	21.00 %
Property	5.00 %
Cash	1.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	6.00 %
Rate of increase in salaries	4.60 %
Rate of increase for pensions in payment / inflation	2.80 %

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**NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

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

	2013
Retiring today	
Males	21.9
Females	24.6
Retiring in 20 years	
Males	23.8
Females	26.5

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(3,371,000)
Scheme assets	2,565,000
Deficit	(806,000)
Experience adjustments on scheme liabilities	(259,000)
Experience adjustments on scheme assets	276,000

25. OPERATING LEASE COMMITMENTS

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

	2013 £
Expiry date:	
Within 1 year	9,364
Between 2 and 5 years	7,137

26. RELATED PARTY TRANSACTIONS

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

There were no related party transactions during the period.