

**Beaverwood School For Girls  
A Company Limited by Guarantee**

**Annual Report and Financial Statements**

**Year ended 31 August 2013**

**Company Registration Number:  
07527090 (England and Wales)**



## Beaverwood School For Girls

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## Reference and Administrative Information

### Reference and Administrative Details of the Academy, its Governors and Advisors

Governors (Trustees)

\* = members of the Finance Committee

J Ransley (Chairman)  
 J Larkin (Vice Chairman)  
 L Hill (Chair of Finance)\*  
 C Yardley (Responsible Officer)  
 K Raven (Headteacher)\*  
 P Gladding  
 L Haswell (Resigned 25/3/13)  
 P Hunt  
 P Jennings\*  
 L Mensah  
 G Strong\*  
 J Wafer  
 L Picknett\* (Appointed 12/12/12)  
 J Bates (Appointed 25/3/13)  
 H Patel\* (Appointed 26/6/2013)

Company Secretary

L Day

Senior Leaders

- Headteacher
- Deputy Headteacher
- Deputy Headteacher

K Raven  
 C Tipping  
 D Forder

Registered Office

Beaverwood Road  
 Chislehurst  
 Kent  
 BR7 6HE  
 Tel: 020 8300 3156

Company Registration Number

07527090 (England and Wales)

Auditors

Baxters & Co  
 Chartered Certified Accountants  
 Lynwood House  
 Crofton Road  
 Orpington  
 Kent  
 BR6 8QE

Bankers

Lloyds Bank PLC  
 95 George Street  
 Croydon  
 CR9 2NS

Solicitors

Winckworth Sherwood  
 Minerva House  
 5 Montague Close  
 London  
 SE1 9BB



## **Trustees' Report**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013.

### **Structure, Governance and Management**

#### **Constitution**

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 trustees of Beaverwood School for Girls are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Beaverwood School for Girls.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

#### **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

#### **Trustees' Indemnities**

No indemnities have been granted by the company under S236 of the Companies Act 2006. In accordance with normal commercial practice the company provides insurance cover to protect trustees and officers and this is detailed in the insurance note of the financial statements.

#### **Principal Activities**

The principal object and activity of the charitable company is the operation of Beaverwood School for Girls to provide education for pupils of different abilities between the ages of 11 – 19 with an emphasis on humanities. Through the school's activities the school is committed to lifelong learning. The school aims to enhance all students' educational experiences, to develop independent learners with transferable skills that can be applied across a range of school subjects and also in later life.

#### **Method of Recruitment and Appointment or Election of Trustees**

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and they are governors of Beaverwood School for Girls.

Governors are subject to a term of office of four years, except, the Headteacher. Governors are eligible for re-election at the end of their term of office.

The governors who were in office at 31 August 2013 and served throughout the year, except where shown are listed on page 3.

During the year under review the governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of



policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. Induction of new governors is completed in a formal training session with the Chair of Governors and the Headteacher.

### **Organisational Structure**

During the year a unified leadership structure was in place consisting of three levels: the Governors, the Senior Leaders and Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The governing body meets once a term where all minutes from various subcommittees are reviewed. The finance committee meets half termly.

The governing body has delegated to the Headteacher the responsibility and the commensurate powers to undertake the internal management of the school so to ensure that its day to day operations can be undertaken. The Headteacher carries out these responsibilities in conjunction with the Senior Leaders and they are expected to implement the policies laid down by the governors and report back to them regularly. Appointment boards for posts in the Senior Leadership Team always contain a Governor.

The Leadership Team includes the Senior Leaders, the four Assistant Headteachers and two acting Assistant Headteachers. These leaders are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students. The Headteacher is the Accounting Officer.

### **Risk Management**

The governors have assessed the major risks to which the school is exposed, in particular those relating to academic performance/finances/child welfare. The governors have implemented a number of systems to assess risks that the company 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 company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by trustees.

### **Connected Organisations including Related Party Relationships**

The school is part of an collaboration between eleven Bromley schools namely The Bromley Schools Collegiate who are involved in the training of School based Initial teacher training programmes and schools direct trainees. All transactions between this organisation and the company are carried out on an arm's length basis. The governors have also agreed to be part of an umbrella trust in the future to enhance collaboration between schools for the educational benefit of all pupils.

### **Objectives Strategies and Activities**

The principal object of the company is to advance for the public benefit education in the United Kingdom and in particular the operation of the Beaverwood School for Girls to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on humanities. The school has entered into a funding agreement with the Secretary of State for Education which 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.



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

- Prepare every student for adult life by developing their potential to the full, morally, intellectually and socially, and promoting the students physical, creative and ICT skills.
- Provide a safe caring co-operative and stimulating environment which fosters intellectual, social, cultural and religious acceptance.
- Using emotional intelligence to develop self discipline and awareness of the needs of others.
- Enable students to become contributing and self reliant members of society.
- Enable the students to develop a positive attitude towards, and belief in, achievable high expectations within a committed environment for educational excellence.
- Comply with all appropriate statutory and curriculum requirements;
- Maintain close links with industry and commerce; and
- Conduct the Academy's business in accordance with the highest standards of integrity, and openness.

The Academy's main strategy is encompassed in its mission statement which is 'To build a learning community which has access to the best possible teaching facilities and staff'. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- a programme of sporting and after school leisure activities for all students;
- a system of activities out of school to allow students to extend academic performance;
- a careers advisory service to help students obtain employment or move on to higher education.

#### **Public Benefit**

The governors confirm that the activities of the Academy provide identifiable benefits, namely educational, which are in pursuance of the aims of the Academy and comply with guidance published by the Charity Commission.

#### **Achievements and Performance**

The Academy has continued to be a popular oversubscribed secondary school. Total students in the year ended 31st August 2013 numbered 1323.

Examination results for Year 11 in 2013 were excellent. 91% of students gained 5+ A\* - C grades and 68% of students achieved 5 or more passes at this level including English and Maths. Overall, 99% of students achieved 5+ A-G grades. At A2 Level the pass rate was 97% with 55% of grades achieved at A\*-C. Many subjects had a 100% pass rate at AS or A2 levels in particular subjects within the English, Humanities and Expressive Art Faculties.

To ensure that standards are continually raised, the Academy: operates a programme of observation of lessons; is visited by inspectors; undertakes a comparison of results from entry through Key Stage 3, to GCSE and from GCSE to A level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

Beaverwood School for Girls follows a broad and balanced curriculum designed to promote academic excellence and develop individual talents and interests. The school offers a wide range of GCSE and vocational subjects for our Key stage 4 students in years 10 and 11. There are opportunities for progression into the sixth form leading to applications to university. Of our recent year 13 leavers 70% of these go on to higher education ; 20% enter employment and 10% were still seeking employment.



Students continue to be able to take part in a variety of activities outside of the formal curriculum. These include Netball and Football matches, Trampoline and Dance. There are a variety of trips throughout the year; Ypres, Geography Field Trips, Year 8 Camp and Disneyland in France for Year 7. The Duke of Edinburgh Award goes from strength to strength with large numbers of girls being awarded Bronze and Silver Awards. A World Challenge trip to Namibia took place in the Summer of 2013 and girls were involved in volunteer work in the African bush. Students continue to be encouraged to lead healthy life styles through menu choices in the canteen, Food Technology lessons and Enhancement Day activities both in PE and Food Technology. Individual successes are celebrated; for example a few students have attained National standards of competition in Athletics and Gymnastics. There are a wide variety of musical and dance activities including choir and band practice culminating in concert performances twice a year and the School Dance/Drama production. Enhancement days throughout the year enable a rich variety of activities to take place, these have included; Around the world in a day.

The school was awarded the CPD quality mark (gold award) and was re-accredited by Investors in People during 2013, in recognition of the emphasis put on staff training and development. A comprehensive range of whole school CPD took place during 2012/13 which was co-ordinated by an Assistant Headteacher. All teachers and support staff were encouraged to attend specific training courses pertinent to their own Performance Management objectives and whole school /faculty improvement. A number of staff also further their own CPD within school, such as joining learning walks, observing colleagues and sharing their expertise with others.

During this financial year the students held many varied events and activities to raise money for the four 'house' charities of NSPCC, Children in Need, Demelza House and Cancer Research, as well as other charities. The amounts paid to charities in the year via the school totalled £4,515, other charity events are supported where funds are paid directly to the charity concerned.

### **Going Concern**

After making appropriate enquiries, the Governing Body 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Key Financial Performance Indicators**

The Academy held fund balances at 31 August 2013 of £8,177,000 (2012: £7,542,000) comprising £7,720,000 (2012: £7,155,000) of restricted funds and £457,000 (2012: £387,000) of unrestricted general funds. Included in the restricted fund balance is a pension reserve deficit of £807,000 (2012: £895,000) in regard to the Local Government Pension Scheme. Additional pension contributions are being made against this deficit as explained in the pension note of the financial statements.

### **Financial Review**

The majority of the academy's income is obtained from the EFA in the form of the General Annual Grant, these funds are restricted as shown in the financial statements.

During the year ended 31 August 2013, total expenditure of £6,948,000 (2012: £6,565,000) (excluding the fixed asset fund, unrestricted funds and pension deficit) was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year for the same funds was £79,000 (2012: £601,000).

On conversion the academy inherited a deficit pension fund of £613,000, as at 31 August 2013 this deficit had increased to £807,000 (2012: £895,000).



At 31 August 2013 the net book value of fixed assets was £7,704,000 (2012: £7,271,000) and movements in tangible fixed assets are shown in the fixed assets note to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

## **Financial and Risk Management Objectives and Policies**

### **Principal Risks and Uncertainties**

The Academy maintains a risk register which records and monitors the risks associated with the Academy's business. The Academy's principal risks and levels of uncertainty centre around the ability to continue to attract students in a competitive market and to ensure that the strong curriculum that is supported by the appropriately trained teaching staff is maintained in economically challenging times. The school runs a defined benefit pension scheme for non-teaching staff members as detailed in the pensions note, the deficit for the year ended 31 August 2013 is £ 807,000 (2012 £895,000) .

### **Reserves Policy**

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams and the need to maintain a certain level of reserves. The level of reserves should ideally be maintained at up to 2% of the General Annual Grant in order to provide sufficient working capital and for necessary unplanned expenditure.

### **Investment Policy**

The school currently holds any excess funds in their current account and does not hold investments. Surplus funds to normal working capital maybe placed on fixed deposit under the existing current banking arrangements.

### **Plans for Future Periods**

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

The school as an Academy now has the autonomy to establish partnerships including those with other schools, institutions and businesses. The school is committed to sharing its expertise as widely as possible.

### **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 auditors, Baxters & Co, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Governing Body on 4th December 2013 and signed on its behalf by:

**Mr. J Ransley**  
**Chair of Trustees**



## Governance Statement

### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Beaverwood 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 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 Beaverwood School For Girls Trust 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 Statement of Governors' responsibilities. The governing body has formally met three times during the year. Attendance during the year at meetings of the governing body was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
J Ransley ( Chairman)	2	3
J Larkin (Vice - Chairman)	1	3
L Hill (Chair of Finance)	2	3
C Yardley (Responsible Officer)	-	3
K Raven (Headteacher)	3	3
P Gladding	2	3
L Haswell	1	1
P Hunt	1	3
P Jennings	2	3
L Mensah	3	3
G Strong	-	3
J Wafer	2	3
L Picknett	3	3
J Bates	2	2
H Patel	1	1

The finance committee is a sub-committee of the main governing body. Attendance at meetings during the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
L Hill (Chair of Finance)	2	6
K Raven (Headteacher)	6	6
P Jennings	6	6
G Strong	6	6
L Picknett	3	4
H Patel	-	-

### 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 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 Beaverwood School for Girls for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.



### **Capacity to Handle Risk**

The Governing Body 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 Governing Body 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 year ending 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 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 Governing Body;
- regular reviews by the Finance and Premises 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, during the year the governors have appointed Miss C Yardley, a Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. The RO reported to the governing body via the Finance Committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. There were no issues of material significance.

### **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 Premises 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 board of trustees on 4<sup>th</sup> December 2013 and signed on its behalf by:

**Mr. J Ransley**  
**Chair of Trustees**

**Mrs K Raven**  
**Accounting Officer**



## **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Beaverwood School for Girls I have considered my responsibility to notify the schools 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 trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

**Mrs K Raven**

**Accounting Officer**



## Statement of Trustees' Responsibilities

The trustees (who act as governors of Beaverwood School For Girls and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements 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 trustees to prepare financial statements for each financial year. Under company law the trustees 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 year. In preparing these financial statements, the trustees are required to:

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

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

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

Approved by order of the members of the Governing Body on 4<sup>th</sup> December 2013 and signed on its behalf by:

**Mr. J Ransley**

**Chair of Trustees**



## **Beaverwood School for Girls (A Company Limited by Guarantee)**

### **Independent Auditor's Report to the Members of Beaverwood School For Girls**

We have audited the accounts of Beaverwood School for Girls for the year ended 31 August 2013 set out on pages 17 to 34. 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) and the Academies Accounts Direction 2013 issued by the EFA.

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 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 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 statement of Governors responsibilities Statement set out on page 12, the Governors, who are also the directors of Beaverwood School for Girls for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Qualified Opinion: Non-Compliance with Annual Accounts Direction 2013 issued by the EFA**

Our opinion below on these accounts is qualified in respect of their non-compliance with the Annual Accounts Direction 2013 issued by the EFA. Governors have decided not to disclose the remuneration of the Principal and Staff Governors as required by the Annual Accounts Direction 2013 issued by the EFA. Governors have additionally decided not to disclose the analysis of staff numbers whose remuneration exceeds £60,000, in bands of £10,000. In this respects, the accounts are non-compliant with the Direction and with Charity SORP 2005, and hence with the United Kingdom Generally Accepted Accounting Practice. In all other respects our opinion on the accounts is unqualified.



## **Beaverwood School for Girls (A Company Limited by Guarantee)**

### **Independent Auditor's Report to the Members of Beaverwood School For Girls**

#### **Opinion on accounts**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

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

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

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

#### **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 accounts 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.

**D J Walsh FCCA (Senior Statutory Auditor)**  
for and on behalf of Baxter & Co

**Chartered Certified Accountants**  
**Statutory Auditor**

Lynwood House  
Crofton Road  
Orpington  
Kent , BR6 8QE

Dated: 16 December 2013



## **Beaverwood School for Girls (A Company Limited by Guarantee)**

### **Independent Reporting Accountant's Assurance Report on Regularity to the Beaverwood School For Girls Limited and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 22 November 2012 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 Beaverwood School for Girls during the year ended 31 August 2013 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Beaverwood School for Girls and the EFA in accordance with our engagement letter. Our work has been undertaken so that we might state to Beaverwood School 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 Beaverwood School for Girls and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective Responsibilities of Beaverwood School for Girls Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Beaverwood School for Girls funding agreement with the Secretary of State for Education dated 28 February 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure is 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 Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

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 academy responses to the regularity questionnaire we provided and consideration of matters arising there from.

## **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**D J Walsh FCCA (Senior Statutory Auditor)  
for and on behalf of Baxter & Co**

**Chartered Certified Accountants  
Statutory Auditor**

Lynwood House  
Crofton Road  
Orpington  
Kent BR6 8QE

Dated: 16 December 2013



**Statement of Financial Activities for the Year ended 31 August 2013**

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000	Total 2012 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
• Voluntary income	3	11	-	-	11	16
• Activities for generating funds	4	34	-	-	34	30
• Investment Income	5	-	2	-	2	2
<i>Incoming resources from charitable activities:</i>						
• Funding for the Academy's educational operations	6	180	7,025	586	7,791	7,366
<b>Total incoming resources</b>		<b>225</b>	<b>7,027</b>	<b>586</b>	<b>7,838</b>	<b>7,414</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
• Costs of generating voluntary income		21	-	-	21	12
<i>Charitable activities:</i>						
• Academy's educational operations	8	134	6,935	237	7,306	6,957
Governance costs	9	-	13	-	13	16
<b>Total resources expended</b>	7	<b>155</b>	<b>6,948</b>	<b>237</b>	<b>7,340</b>	<b>6,985</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>70</b>	<b>79</b>	<b>349</b>	<b>498</b>	<b>429</b>
Gross transfers between funds	16	-	(84)	84	-	-
<b>Net income/(expenditure) for the year</b>		<b>70</b>	<b>(5)</b>	<b>433</b>	<b>498</b>	<b>429</b>
Actuarial (losses) gains on defined benefit pension schemes	26	-	137	-	137	-256
<b>Net movement in funds</b>		<b>70</b>	<b>132</b>	<b>433</b>	<b>635</b>	<b>173</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 Sept 2012		387	(116)	7,271	7,542	7,369
<b>Funds carried forward at 31 August 2013</b>		<b>457</b>	<b>16</b>	<b>7,704</b>	<b>8,177</b>	<b>7,542</b>

All of the Academy's activities derive from continuing operations during the above financial year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities



**Balance Sheet as at 31 August 2013**

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
<b>Fixed assets</b>					
Tangible assets	13		7,704		7,271
<b>Current assets</b>					
Debtors	14	594		314	
Cash at bank and in hand		1,656		1,517	
		<u>2,250</u>		<u>1,831</u>	
<b>Creditors:</b> Amounts falling due within one year	15	(970)		(665)	
<b>Net current assets</b>			<u>1,280</u>		<u>1,166</u>
Total assets less current liabilities			8,984		8,437
<b>Net assets excluding pension liability</b>			8,984		8,437
Pension scheme liability	26		(807)		(895)
<b>Net assets including pension liability</b>			<u>8,177</u>		<u>7,542</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
• Fixed asset fund(s)	16		7,704		7,271
• General fund(s)	16		823		779
• Pension reserve(s)	16		(807)		(895)
<b>Total restricted funds</b>			<u>7,720</u>		<u>7,155</u>
<b>Unrestricted funds</b>					
• General fund(s)	16		457		387
<b>Total unrestricted funds</b>			<u>457</u>		<u>387</u>
<b>Total funds</b>			<u>8,177</u>		<u>7,542</u>

The financial statements on pages 17 to 34 were approved by the Governors, and authorised for issue on 4<sup>th</sup> December 2013 and are signed on their behalf by:

**Mr. J Ransley**  
Chair of Trustees

Company Registration Number - 07527090 (England and Wales)



**Cash Flow Statement for the Year ended 31 August 2013**

	Notes	2013 £000	2012 £000
<b>Net cash (outflow)/inflow from operating activities</b>	20	<b>(31)</b>	<b>819</b>
Returns on investments and servicing of finance	21	2	2
Capital expenditure	22	168	212
<b>Increase in cash in the year</b>	23	<b>139</b>	<b>1,033</b>
 <b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		1,517	484
<b>Net funds at 31 August 2013</b>		<b>1,656</b>	<b>1,517</b>



## Notes to the Financial Statements for the Year ended 31 August 2013

### 1. Statement of Accounting Policies

#### Basis of Preparation

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

#### Going Concern

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

#### Incoming Resources

- **Grants receivable**  
Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet.
- **Sponsorship income**  
Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable.
- **Donations**  
Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.
- **Other income**  
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.
- **Donated Services and gifts in kind**  
The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the year in which they are receivable, and where the benefit is both quantifiable and material. Where the gift in kind was a fixed asset the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.
- **Interest Receivable**  
Interest receivable is included within the statement of financial activities on a receivable basis.

#### Resources Expended

Resources expended are recognised in the year in which they are incurred and are stated net of recoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.



### Allocation of Costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

### Governance Costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

### Fund Accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE/EFA and other donors which are to be used for specific purposes as explained in the funds note.

### Tangible Fixed Assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £5,000 are written off in the year of acquisition. All other assets are capitalised.

### Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	2%
Furniture and equipment	25%
Computer equipment and software	33%

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

### Stock

Stock items are valued at the lower of cost or net realisable value where the value is over £500.

### Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.



## **Taxation**

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

## **Pensions**

Academy staff are members of one of three pension schemes, two of which are defined benefit schemes and one defined contribution scheme. More details of the schemes are given in note 26. The defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the Academy.

### **Defined Benefit Schemes**

#### **Teachers' Pension Scheme**

Full-time and part-time teaching staff who are employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. 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 quinquennial valuations using a prospective benefit method. As stated in the pensions note the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme on a consistent and reasonable basis. The Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

#### **Local Government Pension Scheme**

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### **Defined Contribution Scheme**

The Academy also operates a defined contribution scheme. The assets of this scheme are held separately from those of the Academy, being invested with insurance companies. The pension costs for the scheme represent the contributions payable by the Academy in the year.



**2. General Annual Grant (GAG)****Results and Carry Forward for the Year**

	2013	2012
	£000	£000
GAG brought forward from previous year	556	-
GAG allocation for current year	6,445	6,688
<b>Total GAG available to spend</b>	<b>7,001</b>	<b>6,688</b>
Recurrent expenditure from GAG	(6,358)	(6,132)
Fixed assets purchased from GAG	(84)	-
<b>GAG carried forward to next year</b>	<b>559</b>	<b>556</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(773)	(803)
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	<b>(214)</b>	<b>(247)</b>
	no breach	no breach

**3. Voluntary Income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Donations	6	-	6	13
Charity Donations	5	-	5	3
	11	-	11	16

**4. Activities for Generating Funds**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Hire of Facilities	28	-	28	27
Consultancy Income	6	-	6	3
	34	-	34	30

**5. Investment Income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Bank Interest	-	2	2	2
	-	2	2	2



**6. Funding for Academy's educational operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
<b>DfE/EFA capital grant</b>				
• ACMF Capital Grant	-	786	786	212
• Devolved Capital Grant	-	26	26	26
	-	812	812	238
<b>DfE /EFA revenue grants</b>				
• General Annual Grant (GAG)(note2)	-	6,445	6,445	6,688
• Pupil Premium	-	185	185	-
• Sports Co-ordinator	-	7	7	7
• 16-19 Bursary	-	25	25	13
• Year 7 Catchup	-	18	18	-
• EFA Support	-	1	1	35
	-	6,681	6,681	6,743
<b>Other Government grants</b>				
• SEN from LA	-	72	72	110
• Golden Hello	-	5	5	6
• Access to Work	-	-	-	2
• Transport for London	-	1	1	4
	-	78	78	122
<b>Other Income</b>				
• Academy Trips	134	-	134	172
• Sundry Income	46	40	86	91
	180	40	220	263
	180	7,611	7,791	7,366

**7. Resources Expended**

	<b>Staff Costs £000</b>	<b>Non Pay Premises £000</b>	<b>Expenditure Other Costs £000</b>	<b>Total 2013 £000</b>	<b>Total 2012 £000</b>
Costs of generating voluntary income	-	-	5	5	3
Costs of activities for generating funds	16	-	-	16	9
<b>Academy's educational operations</b>					
• Direct costs	4,737	224	927	5,888	5,681
• Allocated support costs	518	718	182	1,418	1,276
	5,255	942	1,109	7,306	6,957
<b>Governance costs including allocated support costs</b>					
	3	-	10	13	16
	5,274	942	1,124	7,340	6,985
Incoming/outgoing resources for the year include:				<b>2013 £000</b>	<b>2012 £000</b>
Operating leases				23	43
Fees payable to auditor - audit				10	9
- other services				-	-



**8. Charitable Activities - Academy's educational operations**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,714	4,714	4,641
Pension Fund Costs	-	23	23	(7)
Depreciation	-	224	224	224
Educational supplies	-	256	256	254
Educational Visits	134	-	134	172
Examination fees	-	147	147	147
Staff development	-	23	23	25
Educational consultancy	-	168	168	99
Other direct costs	-	199	199	126
	<b>134</b>	<b>5,754</b>	<b>5,888</b>	<b>5,681</b>
<b>Allocated support costs</b>				
Support staff costs	-	518	518	484
Depreciation	-	13	13	12
Recruitment and support	-	35	35	11
Maintenance of premises and equipment	-	418	418	352
Energy Costs	-	97	97	83
Cleaning	-	84	84	82
Rent, Rates & Water	-	48	48	48
Insurance	-	49	49	51
Security and transport	-	9	9	11
Catering	-	40	40	41
Other support costs	-	107	107	101
	<b>-</b>	<b>1,418</b>	<b>1,418</b>	<b>1,276</b>
	<b>134</b>	<b>7,172</b>	<b>7,306</b>	<b>6,957</b>

**9. Governance costs**

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Auditor's remuneration				
• Audit of financial statements	-	10	10	9
Support costs	-	3	3	7
	<b>-</b>	<b>13</b>	<b>13</b>	<b>16</b>



**10. Staff costs**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Staff costs during the year were:		
Wages and salaries	4,172	4,067
Social security costs	345	328
Pension costs	616	574
	<b>5,133</b>	<b>4,969</b>
Supply teacher costs	141	155
Compensation payments	-	7
	<b>5,274</b>	<b>5,131</b>

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

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No.</b>
Charitable Activities		
Teachers	75	80
Administration and educational support	30	31
Management	5	5
	<b>110</b>	<b>116</b>

There were 5 employees whose emoluments were over £60,000 (2012: 5) The emoluments paid in total to these employees during the year ended 31<sup>st</sup> August 2013 was £389,853 (2012: £380,467). These employees also participated in the Teachers' Pension Scheme. During the Year ended 31 August 2013, pension contributions for these staff amounted to £52,351 (2012: £51,670).

**11. Governors' remuneration and expenses**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors.

During the Year ended 31 August 2013 no travel and subsistence expenses were reimbursed (2012 - 1 governor £35.)

Related party transactions involving the trustees are set out in note 27.

**12. Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim the cost of this insurance is included in the total insurance cost.



**13. Tangible Fixed Assets**

	Freehold Land and Buildings £000	Computer Equipment £000	Total £000
<b>Cost</b>			
At 1 September 2012	7,706	38	7,744
Additions	670	-	670
Disposals	-	-	-
At 31 August 2013	8,376	38	8,414
<b>Depreciation</b>			
At 1 September 2012	448	25	473
Charged in year	224	13	237
Disposals	-	-	-
At 31 August 2013	672	38	710
<b>Net book values</b>			
At 31 August 2013	7,704	-	7,704
At 31 August 2012	7,258	13	7,271

**14. Debtors**

	2013 £000	2012 £000
Trade debtors	37	1
Prepayments	33	25
Other debtors	524	288
	594	314

**15. Creditors: amounts falling due within one year**

	2013 £000	2012 £000
Trade creditors	256	413
Other taxation and social security	105	105
Other creditors	9	9
Accruals and deferred income	600	138
	970	665
<b>Deferred income</b>		
	2013 £000	2012 £000
Deferred income at 1 September	92	55
Resources deferred in the year	164	92
Amounts released from previous years	(92)	(55)
Deferred Income at 31 August 2013	164	92

Deferred income relates to £23K rates relief, £28K insurance refund and £66K pupil premium received in advance of fully committed expenditure planned for the academic year 2013-2014 and £47K income received from voluntary sources for expenditure on educational visits during 2013-2014.



**16. Funds**

	Balance at 1 September 2012 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2013 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	556	6,445	(6,358)	(84)	559
Pupil Premium	-	185	(167)	-	18
Year7Catchup	-	18	(15)	-	3
EFASupport	-	1	(1)	-	-
16-19 Bursary	-	25	(20)	-	5
Sports Co-ordinator	-	7	(7)	-	-
ACMF	-	226	(226)	-	-
Other Government Grants	-	78	(78)	-	-
Other Income	223	42	(27)	-	238
Pension reserve	(895)	-	(49)	137	(807)
	<b>(116)</b>	<b>7,027</b>	<b>(6,948)</b>	<b>53</b>	<b>16</b>
<b>Restricted fixed asset funds</b>					
ACMF	-	560	-	-	560
Devolved Capital Grant	9	26	(9)	-	26
Capital expenditure from GAG	4	-	(4)	84	84
Donation	7,258	-	(224)	-	7,034
	<b>7,271</b>	<b>586</b>	<b>(237)</b>	<b>84</b>	<b>7,704</b>
<b>Total restricted funds</b>	<b>7,155</b>	<b>7,613</b>	<b>(7,185)</b>	<b>137</b>	<b>7,720</b>
<b>Unrestricted funds</b>					
Unrestricted funds	387	225	(155)	-	457
<b>Total unrestricted funds</b>	<b>387</b>	<b>225</b>	<b>(155)</b>	<b>-</b>	<b>457</b>
<b>Total funds</b>	<b>7,542</b>	<b>7,838</b>	<b>(7,340)</b>	<b>137</b>	<b>8,177</b>

**17. Analysis of net assets between funds**

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,704	7,704
Current assets	506	1,744	-	2,250
Current liabilities	(49)	(921)	-	(970)
Pension scheme liability	-	(807)	-	(807)
<b>Total net assets</b>	<b>457</b>	<b>16</b>	<b>7,704</b>	<b>8,177</b>



**18. Capital commitments**

	2013 £000	2012 £000
Contracted for, but not provided in the financial statements	-	137

A contract was entered into for building maintenance works for £347,000 which was only part completed as at 31<sup>st</sup> August 2012, this project was completed during the year ended 31<sup>st</sup> August 2013.

**19. Financial commitments****Operating leases**

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

	2013 £000	2012 £000
Other		
Expiring within one year	9	14
Expiring within two and five years inclusive	-	9
	<u>9</u>	<u>23</u>

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

	2013 £000	2012 £000
Net income	498	310
Depreciation (note 13)	237	236
Capital grants from DfE and other capital income	(838)	(212)
Interest receivable	(2)	(2)
FRS 17 pension cost less contributions payable (note 26)	23	(7)
FRS 17 pension finance income (note 26)	26	25
(Increase)/decrease in debtors	(280)	276
Increase/(decrease) in creditors	305	193
<b>Net cash (outflow)/ inflow from operating activities</b>	<u>(31)</u>	<u>819</u>

**21. Returns on investments and servicing of finance**

Interest received	2	2
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>2</u>	<u>2</u>

**22. Capital expenditure and financial investment**

Purchase of tangible fixed assets	(670)	-
Capital donation	-	-
Capital grants from DfE/EFA	838	212
<b>Net cash inflow from capital expenditure and financial investment</b>	<u>168</u>	<u>212</u>



### 23. Analysis of changes in net funds

	At 1 September 2012 £000	Cash flows £000	At 31 August 2013 £000
Cash in hand and at bank	1,517	139	1,656
	<u>1,517</u>	<u>139</u>	<u>1,656</u>

### 24. Contingent Liabilities

As at 31<sup>st</sup> August 2013 the Academy is not aware of any contingent liabilities that may fall due.

### 25. Members' Liability

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

### 26. Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

The TPS is a statutory, contributory, defined pension scheme. The regulations under which the TPS operates are the Teachers' Pension Regulations 2010.

Although teachers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a "pay-as-you-go" basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the Superannuation Act 1972.

The Teachers Pension 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 the real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce a real rate of return.

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of salaries of teachers in service or entering service during the year in which the contribution rate applies, which if it were paid



over the entire active service of these teachers 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 investigation, it is found that accumulated liabilities of the Account for the 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- 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, 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. The cost sharing agreement also introduced – effective for the first time in 2008 valuations – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate ranged between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended, The government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multiemployer 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 and the implications for the Academy in terms of the anticipated contribution rates.

### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £158,000 (2012: £159,000), of which employer's contributions totalled £124,000 (2012: £125,000) and employees' contributions totalled £34,000 (2012: £34,000). The agreed contribution rates for future years are 23.5% per cent for employers and variable rates for employees depending on income levels. Changes to the benefit structure is being introduced 1 April 2014 the effects of these changes are not available yet so the following calculations are based on the existing benefit structure.

Based on the transferring membership of Beaverwood School for Girls the contribution rate would be 16.3%. The scheme however has a deficit and 7.2% additional contributions are required in order to fund Beaverwood School for Girls share of the deficit over a twelve year period.



The pension valuation is based on the following assumptions:

	<b>At 31 August 2013</b>	<b>At 31 August 2012</b>
Rate of increase in salaries	4.7%	4.1%
Rate of increase for pensions in payment / inflation	2.4%	1.9%
Discount rate for scheme liabilities	4.5%	3.9%
Inflation assumption (CPI)	2.4%	1.9%
Commutation of pensions to lump sums	50%	50%

The following sensitivity analysis details the impact of a small change in the discount rate on the defined benefit obligation and projected service cost with a +/- one year age rating adjustment to the mortality assumption.

#### Sensitivity to discount rate

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	1,936	1,978	2,174
Projected Service Cost	142	146	150

#### Sensitivity to mortality age rating assumption

	£000	£000	£000
Adjustment to discount rate	+ 1 Year	None	-1 Year
Present Value of Total Obligation	2,011	1,978	1,945
Projected Service Cost	149	146	143

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

	<b>At 31 August 2013</b>	<b>At 31 August 2012</b>
<i>Retiring today</i>		
Males	23.1	22.2
Females	26.5	26.2
<i>Retiring in 20 years</i>		
Males	25.1	24.4
Females	28.5	28.3



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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £000	Expected return at 31 August 2012	Fair value at 31 August 2012 £000
Equities	7%	867	5.8%	673
Gilts	3.4%	27	2.8%	25
Other Bonds	4.4%	160	3.9%	118
Cash	0.5%	16	0.5%	25
Other	7%	101	-	-
Total market value of assets		1,171		841
Present value of scheme liabilities				
- Funded		(1,978)		(1,736)
<b>Deficit in the scheme</b>		<b>(807)</b>		<b>(895)</b>

The expected return on assets is based on the long term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The total return is expected to be 6.11 % as at 31<sup>st</sup> August 2013 (2012 – 5.3%)

The actual return on scheme assets was £172,000 (2012 - £77,000)

#### Amounts recognised in the statement of financial activities

	2013 £000	2012 £000
Current service cost (net of employee contributions)	23	(7)
Past service cost	-	-
Total operating charge	<u>23</u>	<u>(7)</u>

#### Analysis of pension finance costs

Expected return on pension scheme assets	45	46
Interest on pension liabilities	(71)	(71)
Pension finance costs	<u>(26)</u>	<u>(25)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £111,000 loss.

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

	2013 £000	2012 £000
<b>At 1 September</b>	<b>1,736</b>	<b>1,266</b>
Current service cost	147	118
Interest cost	71	71
Employee contributions	34	34
Actuarial (gain)/loss	(10)	287
Benefits paid	-	(40)
Past Service cost	-	-
Curtailments and settlements	-	-
<b>At 31 August</b>	<b><u>1,978</u></b>	<b><u>1,736</u></b>



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

	2013 £000	2012 £000
<b>At 1 September</b>	<b>841</b>	<b>645</b>
Expected return on assets	45	46
Actuarial gain/(loss)	127	31
Employer contributions	124	125
Employee contributions	34	34
Benefits paid	-	(40)
<b>At 31 August</b>	<b>1,171</b>	<b>841</b>

The estimated value of employer contributions for the year ended 31 August 2014 is £126,000.

**The previous history of experience adjustments is as follows:**

	Year to 31 August 2013 £000	Year to 31 August 2012 £000	Period to 31 August 2011 £000
<b>Present value of defined benefit obligations</b>	<b>(1,978)</b>	<b>(1,736)</b>	<b>(1,266)</b>
<b>Fair value of share of scheme assets</b>	<b>1,171</b>	<b>841</b>	<b>645</b>
<b>Deficit in the scheme</b>	<b>(807)</b>	<b>(895)</b>	<b>(621)</b>
<b>Experience adjustments on share of scheme assets</b>			
Amount £'000	127	31	(6)
% of assets	10.8%	3.7%	0.9%
<b>Experience adjustments on scheme liabilities:</b>			
Amount £'000	-	-	-
% of liabilities	-	-	-

**27. 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, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No such transactions however took place during the year to 31 August 2013.

