

**THE BASILDON ACADEMIES**  
**(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2012**

*Company Limited by Guarantee*  
*Registration Number:*  
*6308595 (England and Wales)*

# THE BASILDON ACADEMIES

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## THE BASILDON ACADEMIES

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS, GOVERNORS AND ADVISORS

<b>Directors</b>	M. Finegold (Sponsor) P. Birch (Resigned 31 May 2012) M. Turner
<b>Governors</b>	L.Livermore (Chair) * M. Turner ( V. Chair) N. Luckock * M. Finegold Cllr K. Bobbin * J. Lake * L. George K. Charman B. Hart B. Oppenheim (Appointed 22 June 2012)

\* Members of the Staffing and Finance committees

<b>Clerk to the Governing Body</b>	B. Rymarz
<b>Senior Managers</b>	
- Principal	B. Bell (Appointed 26 November 2012) Dr R. Fox (Resigned 26 November 2012)
- Vice Principal	S. Breslin (Appointed 1 October 2012) G. Smith (Appointed 1 October 2012) T Robinson (Appointed 1 October 2012) N. Moir (Appointed 1 June 2012) J .Rowe (Resigned 31 December 2011) A. Moise-Dixon (appointed 5 December 2011) A. Moise-Dixon (resigned 4 November 2012)
- Finance Director	B. Collins
<b>Company Secretary &amp; Registered Office</b>	Neptune Secretaries Limited Jessop House, Jessop House, Cheltenham, Gloucestershire, GL50 3WG.
<b>Company Registration Number</b>	6308595
<b>Independent Auditor</b>	Moore Stephens 150 Aldersgate Street, London, EC1A 4AB

## THE BASILDON ACADEMIES

Bankers

Lloyds TSB,  
The Broadway, High Road, Basildon, SS13 3AR

# **THE BASILDON ACADEMIES**

## **DIRECTORS' REPORT**

The Directors present their annual report together with the audited financial statements of the Charitable Company for the year ended 31 August 2012.

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

#### **Constitution**

The Academy Trust is known as The Basildon Academies ("the Academy") and 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 Directors act as the trustees for the charitable activities of Basildon Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Basildon Academies.

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

There are two statutory Directors both of them are also Governors. The Board of Directors delegate the management of operations of the Academy to the Board of Governors who have contributed to this report.

Members of the Charitable Company are nominated by either the Secretary of State or by the main sponsors.

#### **Member's 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 he is a member, or within one year after he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he ceases to be a member.

### **DIRECTORS & GOVERNORS**

#### **Directors' & Governors' Indemnities**

The Academy's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a Director, Governor, Trustee or Officer of the Academy.

#### **Principal Activities**

The principal activity of the Charitable Company is the operation of The Basildon Academies to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on Mathematics & Enterprise.

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 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 with an emphasis on Mathematics & Enterprise.

#### **Method of Recruitment and Appointment of Election of Directors**

The number of directors shall be not less than one but unless otherwise determined by ordinary resolution shall not be subject to any maximum.

## **THE BASILDON ACADEMIES**

### **DIRECTORS' REPORT (continued)**

The Academy can have the following directors:

- up to 12 Sponsor Directors
- up to eight Academy Directors
- any Parent Directors
- any DCSF Directors
- Any additional Directors

The Principal Sponsor can appoint up to 12 Directors and the Secretary of State may appoint one Director.

#### **Term of Office**

The term of office for any Director other than the Principal Sponsor shall be 3 years. Subject to remaining eligible to be a Director under the Articles, any Director may be re-appointed.

#### **Governing Body**

The Directors under the Articles of Association have appointed a Governing Committee to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

The committee can have a maximum of 15 members which include:

- the Principal of the Academy;
- one elected parent/guardian of a pupil at the Academy;
- one elected non-teaching staff member employed at the Academy;
- one elected teacher member employed at the Academy
- one person appointed by the appropriate LA; and
- such other members as the Directors decide.

The Governing Body meets regularly and is advised by a range of sub-committees which includes the Staffing and Finance Committees, the Admissions Committee and the Academy's Health and Safety Committee.

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

#### **Policies and Procedures Adopted for the Induction and Training of Directors & Governors**

The training and induction provided for new Directors and Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Directors and Governors will be given a tour of the Academy and the chance to meet with staff and students. All new appointees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents as appropriate that they will need to undertake their role.

### **ORGANISATIONAL STRUCTURE**

The structure consists of three levels: the Governors, Senior Leadership Team and other management positions. 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 BASILDON ACADEMIES

## DIRECTORS' REPORT (continued)

The Senior Leadership Team includes the Principal, Vice Principals, Directors and Heads of School. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to other management including Faculty Heads and Associate Directors.

The Management Team includes the Senior Management Team and four Heads of Academies. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

### Risk management

The Directors and 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 Directors and Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational area and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

### Connected Organisations including Related Party Relationships

The Stanton Lane Educational Trust is the principal sponsor. A trustee of that trust, Martin Finegold is a Director of the Academy and since the Academy's founding has provided voluntary advisory support and guidance to the Academy.

## OBJECTIVES AND ACTIVITIES

### Objects and Aims

The objects of the Charity are to promote and to provide for the advancement and education of children. In the furtherance of these Objects the Directors, as the charity trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under the Act. All activities undertaken by Academy are for the public benefit.

The main objective of The Basildon Academies during the year ended 31 August 2012 is to provide an inclusive environment that is built around trust, openness, secure relationships, positive behaviours and effective partnership-working to enable all students to meet their potential and will equip all our students with the skills, attitudes and knowledge so that they can progress into employment, further training or higher education, helping them to achieve more than they thought possible.

The current priorities for the School during the year ended 31 August 2012 are summarised below:

- To ensure that each pupil enjoys the same excellent 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.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with industry and commerce.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

# THE BASILDON ACADEMIES

## DIRECTORS' REPORT (continued)

### Objectives, Strategies and Activities

The Basildon Academies' strategy is encompassed in its aims and objectives stated above. To this end it recognised the need to be innovative and challenging in the approach to:

- the subdivision of the two Academies' populations by age range (11-14 and 14-19);
- the grouping of students;
- the organisation, management and governance of the Academies;
- the curriculum design and the approach to the Academies' specialism;
- the building design and organisation of the learning environments;
- the organisation, management and development of staff;
- the delivery of services that support individual pupils and families;
- the way business is engaged, and how the two Academies can impact on the prosperity, effectiveness and development of the local community and future business;
- the celebrating of success, the setting of targets and the robust monitoring of performance.

### Equal opportunities

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to the Academies. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

## ACHIEVEMENTS AND PERFORMANCE

The Academy is in its third year of operation and due to the on-going building works has struggled to achieve the forecast numbers of students. Total students in the year ended 31st August 2012 were 1,626.

The Academy achieved improved results in the 2012 GCSE examinations, with 45% of students achieving five or more GCSEs at grades A -C, including English and maths.

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 to Key Stage 3 and from Key Stage 3 to GCSE to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

### Key Financial Performance Indicators

Governors assess performance of the academies through:

- Pupil numbers;
- Curriculum events;
- Exam results;
- Facilities;
- Post 16 learning and students moving onto University;
- Staff Performance Reviews.



# THE BASILDON ACADEMIES

## DIRECTORS' REPORT (continued)

### FINANCIAL REVIEW

The Academy's principal income is from the DfE in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2012 and the associated expenditure are shown in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and 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.

At 31 August 2012 the net book value of fixed assets was £568,000. Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

During the year ended 31 August 2012, total expenditure of £11,529,000 (2011: £14,555,000) was covered by recurrent grant funding from the DfE together with other incoming resources. The net outgoing resources from private and public funds totalled £330,000 (2011: net outgoing resources £207,000). Total reserves at 31 August 2012 before deducting the pension scheme deficit, totalled £1,400,000 (2011: £894,000) and this is made up of: restricted general funds of £495,000 (2011: £120,000); restricted fixed asset funds of £568,000 (2011: £536,000) and unrestricted free reserves of £337,000 (2011: £238,000).

The deficit in the Local Government Pension Scheme (LGPS) is recognised in the balance sheet in accordance with FRS17. At 31 August 2012, the deficit stood at £4,863,000 (2011: £4,204,000) resulting in net liabilities including the pension scheme liability of £3,422,000 (2011: Liability £3,310,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through the pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme.

The land and buildings on which the Academies operate from are owned by Essex County Council and the Academy continues to occupy the land and premises under licence at a peppercorn rent. No notional value of rent has been included due to various restrictive covenants.

Work on the buildings were completed in August 2011. There follows a further period for snagging to be agreed and undertaken.

To date, no amount has been brought into the financial statements in respect of the land or the building costs other than those improvements paid for directly by the Academy. When all building works have been signed off, the buildings will be transferred to the Academy. The value of the land and buildings will then be capitalised in the year of final completion.

### Financial and Risk Management Objectives and Policies

In accordance with the Academy's statutes, the Governors and senior staff are responsible for the administration and management of the Academy's affairs and ensuring that:

- effective systems of internal control are in place and that accounting records are properly kept;
- appropriate financial and management controls are in place to safeguard the assets of the Academy and prevent and detect fraud; and
- the Academy secures economical, efficient and effective management of its resources and expenditure.

# THE BASILDON ACADEMIES

## DIRECTORS' REPORT (continued)

### Principal Risks and Uncertainties

The Academies principal goal is to safeguard its long-term ability to continue to attract high-calibre staff and deliver an excellent education to academically able students, and to maintain and renew its physical facilities, whilst continue to increase on current pupil numbers.

Two key uncertainties are the extent and impact of changes to Government funding and an uncertain economic climate and financial environment that puts pressure on enterprise and capital projects and the decline in pupil numbers.

### Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to 2 weeks' expenditure, approximately £550,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves of £525,000 (total funds before pension reserves but less the amount held in fixed assets and restricted funds) is less than is needed. The Academy intends to continue building up free reserves to the level needed.

### Public Benefit

The Governors acknowledge the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the Academy are for the public benefit.

The Academy is specifically restricted to advance, for the public benefit, education in the United Kingdom and reports annually on the way in which it has successfully delivered in this regard.

### Investment Policy

Cash is held in a deposit account to ensure any balances attract interest.

### 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.

## PLANS FOR FUTURE PERIODS

The Academy will strive to raise the aspirations and achievement of all students within the Academy as well as those in the wider community of East Basildon through the use of the Academy's excellent facilities, curriculum materials and expertise to staff and through the provision of excellent learning experiences which will be enhanced by the Academy's specialism of Enterprise and Mathematics.

Our aim is to have high expectations and belief in every child and bring about rapid and sustainable improvement in attendance, behaviour and attainment and make the Academy a place in which children, parents and stakeholders can be justifiable proud.

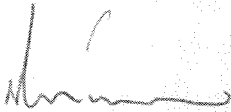
**THE BASILDON ACADEMIES**  
**DIRECTORS' REPORT (continued)**

**AUDITOR**

In so far as the Directors are aware:

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

Approved by order of the Board of Directors on 21 December 2012 and signed on its behalf by:



Michael Turner  
Director

# THE BASILDON ACADEMIES

## GOVERNANCE STATEMENT

### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Basildon Academies 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 Principal, 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 Basildon Academies and the Secretary of State for Education. They are also responsible for reporting to the Governing Body and 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 8 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
L. Livermore	8	8
M. Turner	3	8
N. Luckock	8	8
M. Finegold	6	8
Cllr. K. Bobbin	8	8
J. Lake	5	8
L. George	8	8
K. Charman	7	8
B. Hart	5	8
B. Oppenheim	1	8

The **Finance and General Purposes Committee** is a sub-committee of the main governing body. Its terms of reference include financial management, risk management, management of physical resources and management of health and safety issues. They are also attended by the Finance Director. Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
L. Livermore	4	4
N. Luckock	4	4
Cllr. K. Bobbin	3	4
J. Lake	3	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 failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Basildon Academies for the year ended 31 August 2012 and up to the date of approval of the annual reports and financial statements.

