

THE BASILDON ACADEMIES
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

6308595- THE BASILDON ACADEMIES-1314-FINSTAT

THE BASILDON ACADEMIES
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

M. Finegold
M. Turner

Directors who are also Trustees

M. Finegold
M. Turner

Governors

L. Livermore (Chair and Chief Executive Officer)*
N. Luckock*
M. Finegold
Cllr. K. Bobbin
J. Lake*
L. George
K. Charman
B. Hart
B. Oppenheim
B. Bell (resigned 31 August 2014)
D Lawson (appointed 1 September 2014)

* Members of the Staffing committees
All Governors are members of the finance committee.

Clerk to the Governing Body

B. Rymarz (resigned 13 July 2014)
G. Slide (appointed 29 September 2014)

Company registered number

6308595

Principal and registered office

Wickford Avenue
Pitsea
Basildon
Essex
SS13 3HL

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
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Company secretary

Neptune Secretaries Limited
Jessop House
Cheltenham
Gloucestershire
GL50 3WG

Executive leadership team

L. Livermore, (Chair and Chief Executive Officer)
B. Bell, Executive Principal (Resigned 31 August 2014)
G. Smith, Head of Academy
N. Moir, Head of Academy (Resigned 30 April 2014)
T Robinson, Deputy Head of Academy/ Acting Head of Academy
S. Sharman, Deputy Head of Academy
B. Collins, Director of Finance and Operations
D. Lawson, Executive Principal (Appointed 1 September 2014)

Independent auditor

Moore Stephens LLP
Chartered Accountants and Registered Auditors
150 Aldersgate Street
London
EC1A 4AB

Banker

Lloyds TSB
High Road
Basildon
SS13 3AR

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Directors (who are also trustees of the charity for the purposes of Charity Law) present their annual report together with the audited financial statements of Basildon Academies (the Academy) for the ended 31 August 2014. The Directors confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 The Basildon Academies and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Basildon Academies.

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

Members' liability

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

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.

Method of recruitment and appointment or 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 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Executive 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 Members', Directors and 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 trustees

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 the Directors, the Governing Body, The Executive Leadership Team and The Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors and 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 Executive Leadership Team includes the CEO, Executive Principal, Heads of Academy, Deputy Heads of Academy and the Director of Finance and Operations. 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 Executive Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment for posts in the Executive Leadership Team always contain a Governor. Some spending control is devolved to other management including Directors, Faculty Heads and in some cases specialist teachers with responsibilities.

Each Academy has a separate Leadership Team structure led by the Head of the Academy; the Head of Academy is however accountable to the Executive Principal and is a member of the Executive Leadership Team. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Connected organisations, including related party relationships

The Stanton Lane Educational Trust is the principal sponsor. Trustees of that Trust are M Finegold, M Turner, N Luckock. Since the Academy's founding the sponsor has provided voluntary advisory support and guidance to the Academy. The Stanton Lane Educational Trust has also awarded prizes and awards to high performing pupils and staff.

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 the Academy are for the public benefit.

The main objective of The Basildon Academies during the year ended 31 August 2014 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 these 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 Academy during the year ended 31 August 2014 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 primary schools, industry and commerce.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Public benefit

The Directors 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.

Equal opportunities

The Directors 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.

STRATEGIC REPORT

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.

Achievement and performance

The Academies have completed their fifth year of operation and were successfully removed from Special Measures where leadership and management together with behaviour and safety of pupils were judged by Ofsted as Good.

The Academies 2014 GCSE examination results were 53% in English and 47% in maths achieving A*-C grades. In September 2014 a new Executive Principal was appointed who has extensive experience in driving student progress and attainment. Governors, working closely with the new Executive Principal, have actioned purposeful decisions to reshape the Academies' management team. Governors communicate a clear vision for the Academies' improvement and an unequivocal expectation of all staff and students. Governors support the Academies' drive for rapid and substantial improvement and an Action Plan has been written which will improve the quality of teaching to ensure that all students make or are rapidly moving towards making or exceeding expected levels of progress.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Key financial performance indicators

The Directors and Governors Body assess performance of the academies through:

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

Going Concern

After making appropriate enquiries, the Directors 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.

FINANCIAL REVIEW

The Academy's principal income is from the Education Funding Agency in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2014 and the associated expenditure are shown in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the Education Funding Agency. 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 2014 the net book value of fixed assets was £553,000. Movements in tangible fixed assets are shown in Note 14 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 2014, total expenditure of £11,755,000 (2013: £12,689,000) was covered by recurrent grant funding from the DfE together with other incoming resources. The net incoming resources from private and public funds totalled £125,000 (2013: net incoming resources £151,000). Total reserves at 31 August 2014 before deducting the pension scheme deficit, totalled £1,813,000 (2013: £1,594,000) and this is made up of: restricted general funds of £744,000 (2013: £538,000); restricted fixed asset funds of £553,000 (2013: £631,000) and unrestricted free reserves of £516,000 (2013: £425,000).

The deficit in the Local Government Pension Scheme (LGPS) is recognised in the balance sheet in accordance with FRS17. At 31 August 2014, the deficit stood at £3,882,000 (2013: £5,094,000) resulting in net liabilities including the pension scheme liability of £2,069,000 (2013: Liability £3,500,000). 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 from which the Academies operate are owned by Essex County Council and the Academy continues to occupy the land and premises under licence at a peppercorn rent. A notional value of rent has been included in the financial statements as a donation to the Academies Trust and, likewise an equivalent

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rental charge has been included within charitable activities. Work on the buildings were completed in August 2011 and rectifying defects have been completed. 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. All building works have been signed off and the buildings are now in the process of being transferred to the Academy. Once this process is complete the value of the land and buildings will then be capitalised.

Reserves policy

The Directors 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 Directors 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 £1,244,000 (total funds before bursary fund, pension reserves but less the amount held in fixed assets and restricted funds) is less than is needed.

Investment policy and performance

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

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 Academy pupils, and to maintain and renew its physical facilities whilst driving growth in current student numbers.

Key uncertainties are student numbers and the extent and impact of changes to Government funding and an uncertain economic and financial environment that puts pressure on enterprise, capital projects and operational expenditures.

Financial and risk management objectives and policies

In accordance with the Academy's statutes, the Directors through 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.

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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 staff expertise and through the provision of excellent learning experiences.

Our aim is to have high expectations and belief in every child and continue to 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 justifiably proud.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Directors, on 19/12/2014 and signed on the board's behalf by:



M Turner
Director

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, 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 board of Directors has delegated the day-to-day responsibility to the Executive 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 Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Governing Body has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Governors | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| L. Livermore (Chair and Chief Executive Officer) | 6 | 6 |
| N. Luckock | 5 | 6 |
| M. Finegold | 6 | 6 |
| Cllr. K. Bobbin | 5 | 6 |
| L. George | 5 | 6 |
| K. Charman | 5 | 6 |
| J. Lake | 4 | 6 |
| B. Hart | 3 | 6 |
| B. Oppenheim | 3 | 6 |
| B. Bell | 6 | 6 |

Changes in composition of the board of governors and directors are detailed in the Reference and Administrative Details on Page 1.

The Academy undertakes a programme of relevant and timely training to support Governors and Directors. The Governing Body and Directors are constituted with relevant experience ranging from education, legal, finance, human resources and community engagement.

The Finance 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 Executive Principal and the Finance and Operations Director.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| L. Livermore | 4 | 4 |
| N. Luckock (Chair) | 3 | 4 |
| Cllr. K. Bobbin | 2 | 4 |
| J. Lake | 4 | 4 |
| B Bell | 3 | 4 |

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Board of Directors have appointed Moore Stephens LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. No material control issues have been identified.

