

UPIN 119146
UPIN 119147

Registered number: 6308595

THE BASILDON ACADEMIES
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

THE BASILDON ACADEMIES
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Directors & Governors

M. Finegold
M. Turner

Governors

L. Livermore (Chair and Chief Executive Officer)*
M. Turner (V. Chair) (Resigned 31/08/2013)
N. Luckock*
M. Finegold
Cllr. K. Bobbin*
J. Lake*
L. George
K. Charman
B. Hart
B. Oppenheim
B. Bell (Appointed 26/11/2012)*

* Members of the Staffing and Finance committees

Clerk to the Governing Body

B. Rymarz

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 (Appointed: 26 November 2012), Principal
G. Smith (Appointed: 9 May 2013), Head of Academy
N. Moir (Appointed: 9 May 2013), Head of Academy
T Robinson (Appointed: 17 December 2012), Vice Principal/ Deputy Head of Academy
S. Sharman (Appointed: 3 June 2013), Vice Principal/ Deputy Head of Academy
B. Collins Director of Finance and Operations

Independent auditor

Moore Stephens LLP
Chartered Accountants
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 2013

The Directors present their annual report together with the audited financial statements of Basildon Academies (the Academy) for the year ended 31 August 2013. 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

a. 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 The 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 were two statutory Directors at the start of the period, both were also Governors. However, M Turner resigned as a Governor on 31 August 2013. The Board of Directors delegate the management of operations of the Academy to the Board of Governors.

b. Members' liability

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

c. Method of recruitment and appointment or election of 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

The Academy can have the following directors:

- up to 12 Sponsor Directors
- up to 8 Academy Directors
- any Parent 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 are included in the Reference and Administrative Details on Page 1.

d. 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.

e. Organisational structure

The structure consists of three levels: the Governors, 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

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 Executive Leadership Team includes the CEO, 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 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.

f. Connected organisations, including related party relationships

The Stanton Lane Educational Trust is the principle 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.

g. 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.

h. 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.

i. 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

In accordance with the Articles of Association, the Charitable Company has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement 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

OBJECTIVES AND ACTIVITIES

a. 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 2013 was 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 priorities for the Academy during the year ended 31 August 2013 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.

b. 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;

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

- 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.

c. 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.

ACHIEVEMENTS AND PERFORMANCE

a. 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.

b. Key financial performance indicators

Governors assess performance of the academies through:

- Pupil numbers;
- Curriculum events;
- Exam results

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

- Facilities;
- Post 16 learning and students moving onto University;
- Staff Performance Reviews.
- Visits to the Academies

c. Review of activities

The Academy is in its fourth year of operation and both the Lower and Upper Academies were put into Special Measures in March 2012. The Lower Academy was successfully removed from this category in October 2013 and the Upper Academy was removed in December 2013.

The Academy achieved improved results in the 2013 GCSE examinations, with 46% of students achieving five or more GCSEs at grades A -C, including English and Maths a 25% increase since the start of operations.

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 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.

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 2013 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 2013 the net book value of fixed assets was £631,000. 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 2013, total expenditure of £12,689,000 (2012: £11,529,000) was covered by recurrent grant funding from the DfE together with other incoming resources. The net incoming resources from private and public funds totalled £151,000 (2012: net incoming resources £330,000). Total reserves at 31 August 2013 before deducting the pension scheme deficit, totalled £1,594,000 (2012: £1,400,000) and this is made up of: restricted general funds of £538,000 (2012: £495,000); restricted fixed asset funds of £631,000 (2012: £568,000) and unrestricted free reserves of £425,000 (2012: £337,000).

The deficit in the Local Government Pension Scheme (LGPS) is recognised in the balance sheet in accordance with FRS17. At 31 August 2013, the deficit stood at £5,094,000 (2012: £4,863,000) resulting in net liabilities including the pension scheme liability of £3,500,000 (2012: Liability £3,463,000). The existence of the pension

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

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. This year, a notional value of rent has been included in the financial statements as a donation to the Academies Trust and, likewise, an equivalent 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, 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.

a. 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.

b. 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 pupil 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.

c. 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 £963,000 (total funds before pension reserves but less the amount held in fixed assets).

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

d. Investment policy and performance

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

PLANS FOR THE FUTURE

a. Future developments

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 which will be enhanced by the Academy's specialism of Mathematics and Enterprise.

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 Directors' report is approved has confirmed that:

- so far as that the Directors are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditor in connection with preparing their report and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the board of trustees on 9 January 2014 and signed on its behalf by:



Michael Turner
Director

THE BASILDON ACADEMIES
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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 Governors 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. The Accounting Officer is also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
L. Livermore	6	6
M. Turner	1	4
N. Luckcock	5	6
M. Finegold	6	6
Cllr. K. Bobbin	6	6
J. Lake	6	6
L. George	5	6
K. Charman	4	6
B. Hart	4	6
B. Oppenheim	4	6
B. Bell	5	6

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

The Finance and Staffing Committees are sub-committees 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 Principal and the Finance and Operations Director. Attendance at those meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
L. Livermore	5	5
N. Luckcock (Chair)	4	5
Cllr. K. Bobbin	1	5
J. Lake	5	5
B Bell	5	5

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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 ongoing 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 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Staffing Committees 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, the Directors appointed Moore Stephens LLP, the external auditors, in September 2010, to perform additional checks. In order to maintain independence, this role is undertaken by a team that are completely separate to the audit team. The role includes performing a range of checks on the Academy's financial systems as set by the Finance and Staffing Committees and in line with the EFA's requirements. Results are reported to the Finance and Staffing Committees who in turn report to the Governing Body.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the auditors report to the Governing Body on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities.

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GOVERNANCE STATEMENT (continued)


REVIEW OF EFFECTIVENESS


As Accounting Officer, the Principal (Beverly Bell) 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 9 January 2014 and signed on their behalf, by:


Michael Turner
Director


Bev Bell
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Academy I have considered my responsibility to notify the Academy Trust 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 confirm that I and the Academy governing body are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy'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.



Bev Bell
Accounting Officer

Date: 9 January 2014

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

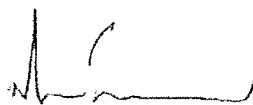
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

Approved by order of the members of the Board of Directors on 9 January 2014 and signed on its behalf by:



Michael Turner
Director

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BASILDON ACADEMIES

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

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BASILDON ACADEMIES (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



James Hurrell, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: 10 January 2014

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE BASILDON
ACADEMIES AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 October 2011 and updated 11 December 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 The Basildon Academies during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE BASILDON ACADEMIES' ACCOUNTING OFFICER AND THE
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of The Basildon Academies' funding agreement with the Secretary of State for Education dated 3 June 2008 and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

THE BASILDON ACADEMIES
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE BASILDON ACADEMIES AND THE EDUCATION FUNDING AGENCY (continued)

Our procedures included, but were not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management.
- Performing sample testing of expenditure ensuring items are for the academy's purposes and are appropriately authorised.
- Sample testing on credit card expenditure, review for any indication of purchases for personal use by staff, Head, Governors or Directors.
- Reviewing the procedures for identifying and declaring related parties and other business interests.
- Obtaining formal representation from the governing body and accounting officer acknowledging their responsibilities.
- Scrutinising journals and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant.
- Performing an evaluation of the general control environment of the Academy.
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

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



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

Date: 10 January 2014

THE BASILDON ACADEMIES
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds	<i>Total funds</i>	
Note	2013 £000	2013 £000	2013 £000	2013 £000	2012 £000	
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	11	-	-	11	2
Voluntary income – free use of school land and buildings	3	-	1,043	-	1,043	-
Activities for generating funds	4	72	340	-	412	251
Investment income		5	-	-	5	3
Incoming resources from charitable activities: Funding for the academy trust's educational operations	5	-	11,369	-	11,369	11,603
TOTAL INCOMING RESOURCES		88	12,752	-	12,840	11,859
RESOURCES EXPENDED						
Charitable activities: Academy trust educational operations	7	-	12,522	129	12,651	11,486
Governance costs	8	-	38	-	38	43
TOTAL RESOURCES EXPENDED	6	-	12,560	129	12,689	11,529
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		88	192	(129)	151	330

THE BASILDON ACADEMIES
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Gross transfers between funds	18	-	(192)	192	-	-
NET INCOME FOR THE YEAR		<u>88</u>	<u>-</u>	<u>63</u>	<u>151</u>	<u>330</u>
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes		-	(188)	-	(188)	(483)
NET MOVEMENT IN FUNDS FOR THE YEAR	9	<u>88</u>	<u>(188)</u>	<u>63</u>	<u>(37)</u>	<u>(153)</u>
Reconciliation of funds:						
Total funds at 1 September 2012		<u>337</u>	<u>(4,368)</u>	<u>568</u>	<u>(3,463)</u>	<u>(3,310)</u>
TOTAL FUNDS AT 31 AUGUST 2013		<u>425</u>	<u>(4,556)</u>	<u>631</u>	<u>(3,500)</u>	<u>(3,463)</u>

All of the Academy's activities derive from continuing operations during the above two financial periods.

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

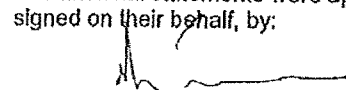
The notes on pages 24 to 45 form part of these financial statements.

THE BASILDON ACADEMIES
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BALANCE SHEET
AS AT 31 AUGUST 2013
Company Number: 06308595

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Tangible assets	14		631		568
CURRENT ASSETS					
Stocks	15	32		43	
Debtors	16	217		258	
Cash at bank		<u>1,678</u>		<u>2,062</u>	
		1,925		2,363	
CREDITORS: amounts falling due within one year	17	<u>(962)</u>		<u>(1,531)</u>	
NET CURRENT ASSETS			<u>963</u>		<u>832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,594		1,400
Defined benefit pension scheme liability	26		<u>(5,094)</u>		<u>(4,863)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(3,500)</u>		<u>(3,463)</u>
FUNDS OF THE ACADEMY TRUST:					
Restricted general funds:					
Restricted general funds	18	538		495	
Restricted fixed asset funds	18	<u>631</u>		<u>568</u>	
Restricted funds excluding pension liability		1,169		1,063	
Pension reserve		<u>(5,094)</u>		<u>(4,863)</u>	
Total restricted general funds			(3,925)		(3,800)
Unrestricted funds	18		<u>425</u>		<u>337</u>
TOTAL DEFICIT			<u>(3,500)</u>		<u>(3,463)</u>

The financial statements were approved by the Directors, and authorised for issue, on 9 January 2014 and are signed on their behalf, by:


Michael Turner
Director

The notes on pages 24 to 45 form part of these financial statements.

THE BASILDON ACADEMIES
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	2013 £000	2012 £000
Net cash flow from operating activities	21	(199)	374
Returns on investments and servicing of finance	22	5	3
Capital expenditure and financial investment	22	(192)	(113)
DECREASE IN CASH IN THE YEAR		<u>(386)</u>	<u>264</u>

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

	2013 £000	2012 £000
MOVEMENT IN NET FUNDS IN THE YEAR	(386)	264
Net funds at 1 September 2012	<u>2,062</u>	<u>1,798</u>
NET FUNDS AT 31 AUGUST 2013	<u>1,676</u>	<u>2,062</u>

The notes on pages 24 to 45 form part of these financial statements.

THE BASILDON ACADEMIES
(A company limited by guarantee)

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

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

Sponsorship income

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

Donated services and gifts in kind

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

A notional market rent to reflect the free use of the Academy's land and buildings is based on their rateable value.

Donations

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

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

Other income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

School trips and activities

These transactions are included in restricted funds. Income is recognised when received and expenditure is recognised when paid, any surpluses being carried forward within restricted funds until the trip or activity is completed.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Resources expended

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

Cost of generating funds

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

Long leasehold property improvements	-	Up to 125 years dependent on useful life of improvements
Furniture, fittings and equipment	-	5–10 years
Computer equipment and software	-	3 years
Motor vehicles		5 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 Leased assets

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

Leasing arrangements which transfer to the School substantially all the benefits and risk of ownership of an asset are treated as if the asset had been purchased outright and are capitalised and depreciated over the shorter of the lease term or the useful economic lives of the equivalently owned assets. The School's land and buildings are rent free and under a licence to occupy and therefore not capitalised.

1.7 Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

1.8 Taxation

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

1.9 Pensions benefit

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS

THE BASILDON ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from EFA, DFE and other donors which are to be used for specific purposes, imposed by the donors.

THE BASILDON ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the academies trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2013.

3. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Donations and notional rent	<u>11</u>	<u>1,043</u>	<u>1,054</u>	<u>2</u>

USE OF SCHOOL LAND AND BUILDINGS

Essex County Council has made available free use of the land and buildings it owns to the Academies. In accordance with SORP 2005, a notional market rent for the land and buildings has been included as a donation to the Academy. Likewise, an equivalent rental charge has been included within charitable activities as part of direct costs. The notional rent is based on the rateable value and totals £1,043,000.

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Hire of facilities	72	-	72	87
Trips and activities	-	28	28	60
Catering	-	171	171	-
Other	-	141	141	104
	<u>72</u>	<u>340</u>	<u>412</u>	<u>251</u>

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

5. FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
DfE/EFA grants				
General Annual Grants	-	8,942	8,942	10,488
Start-up Grants	-	46	46	396
Capital Grants	-	23	23	39
Other DfE/EFA Grants	-	561	561	291
	<u>-</u>	<u>9,572</u>	<u>9,572</u>	<u>11,214</u>
Other government grants				
Local authority grants	-	1,797	1,797	389
	<u>-</u>	<u>1,797</u>	<u>1,797</u>	<u>389</u>
	<u>-</u>	<u>11,369</u>	<u>11,369</u>	<u>11,603</u>

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Premises 2013 £000	Other costs 2013 £000	Total 2013 £000	<i>Total 2012 £000</i>
Academy's educational operations:					
Direct costs	6,359	129	1,276	7,764	7,670
Allocated support costs	1,723	-	3,164	4,887	3,816
Charitable activities	<u>8,082</u>	<u>129</u>	<u>4,440</u>	<u>12,651</u>	<u>11,486</u>
Governance costs	-	-	38	38	43
	<u>8,082</u>	<u>129</u>	<u>4,478</u>	<u>12,689</u>	<u>11,529</u>

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

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
DIRECT COSTS				
Teaching and educational support staff costs	-	6,359	6,359	6,708
Depreciation	-	129	129	113
Technology costs	-	208	208	181
Educational supplies	-	381	381	199
Examination fees	-	192	192	165
Staff development	-	68	68	47
Educational consultancy	-	398	398	196
Other direct costs	-	29	29	61
	-	7,764	7,764	7,670
ALLOCATED SUPPORT COSTS				
Support staff costs	-	1,723	1,723	1,565
Pension finance costs	-	165	165	183
Recruitment and support	-	126	126	71
Maintenance of premises and equipment	-	257	257	319
Cleaning	-	472	472	460
Rent and rates	-	1,156	1,156	96
Energy costs	-	359	359	299
Insurance	-	100	100	101
Security and transport	-	14	14	44
Catering	-	109	109	254
Other support costs	-	406	406	424
	-	4,887	4,887	3,816
	-	12,651	12,651	11,486

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

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Auditor's remuneration	-	12	12	16
Auditor's non audit costs	-	5	5	11
Legal and professional fees	-	21	21	16
	<u>-</u>	<u>38</u>	<u>38</u>	<u>43</u>

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2013 £000	2012 £000
Depreciation of tangible fixed assets: - owned by the charity	129	113
Auditors' remuneration	12	16
Auditors' remuneration - non-audit	5	11
Operating leases	<u>18</u>	<u>-</u>

10. STAFF COSTS

Staff costs were as follows:

	2013 £000	2012 £000
Wages and salaries	6,415	6,238
Social security costs	492	518
Pension costs (Note 26)	826	969
	<u>7,733</u>	<u>7,725</u>
Supply teacher costs	333	479
Compensation payments	<u>16</u>	<u>69</u>
	<u>8,082</u>	<u>8,273</u>

THE BASILDON ACADEMIES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

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

	2013	<i>2012</i>
	No.	<i>No.</i>
Teachers	91	<i>102</i>
Admin support	99	<i>91</i>
Management	16	<i>15</i>
	206	<i>208</i>

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

	2013	<i>2012</i>
	No.	<i>No.</i>
£60,001 - £70,000	2	<i>6</i>
£70,001 - £80,000	3	<i>1</i>
£100,001 - £110,000	0	<i>1</i>
	5	<i>8</i>

All of the (2012 - all) above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme.

During the year ended 31 August 2013, pension contributions for these staff amounted to £39,654 (2012: £78,480).

11. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

The principal and other 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 trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees.

The value of governors' remuneration fell within the following bands:

	2013	<i>2012</i>
	£000	<i>£000</i>
Chief Executive Officer	65-70	<i>65-70</i>

During the year ended 31 August 2013, travel and subsistence expenses totalling £NIL (2012 - £NIL) were reimbursed to directors.

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

12. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors 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 and the cost for the year ended 31 August 2013 was £1,646 (2012 - £4,356).

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

13. PENSION FINANCE COST

	2013 £000	2012 £000
Expected return on pension scheme assets	(90)	(80)
Interest on pension scheme liabilities	255	263
	<u>165</u>	<u>183</u>

14. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings Improvement £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012	212	478	126	816
Additions	48	104	40	192
At 31 August 2013	<u>260</u>	<u>582</u>	<u>166</u>	<u>1,008</u>
Depreciation				
At 1 September 2012	32	136	80	248
Charge for the year	25	80	24	129
At 31 August 2013	<u>57</u>	<u>216</u>	<u>104</u>	<u>377</u>
Net book value				
At 31 August 2013	<u>203</u>	<u>366</u>	<u>62</u>	<u>631</u>
At 31 August 2012	<u>180</u>	<u>342</u>	<u>46</u>	<u>568</u>

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

The buildings and the land on which it sits is owned by Essex County Council. Any alterations or improvements incurred by the Academy are shown as fixed assets.

15. STOCKS

	2013 £000	2012 £000
Uniform stock	<u>32</u>	<u>43</u>

16. DEBTORS

	2013 £000	2012 £000
Trade debtors	7	19
VAT recoverable	35	92
Prepayments and accrued income	175	147
	<u>217</u>	<u>258</u>

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

	2013 £000	2012 £000
Trade creditors	117	166
Other taxation and social security	146	159
Other creditors	8	3
Accruals and deferred income	691	1,203
	<u>962</u>	<u>1,531</u>

Deferred Income

	2013 £000
Deferred income at 1 September 2012	629
Resources deferred in the year	40
Amount released from previous period	<u>(629)</u>
Deferred income at 31 August 2013	<u>40</u>

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18. FUNDS

	Balance at 1 September 2012 £'000s	Incoming Resources £'000s	Resources Expended £'000s	Gains/ (Losses) and Transfers £'000s	Balance at 31 August 2013 £'000s
Restricted general funds					
General Annual Grant (i)	495	8,942	(8,707)	(192)	538
Start up grant	-	46	(46)	-	-
Other DfE/YPLA grants	-	561	(561)	-	-
Capital grants	-	23	(23)	-	-
Standards Funds (ii)	-	-	-	-	-
Special Educational Needs (SEN)/PRG/(iii)	-	1,797	(1,797)	-	-
Other Government grants	-	-	-	-	-
Other income (iv)	-	1,383	(1,383)	-	-
Pensions Reserve	(4,863)	-	(43)	(188)	(5,094)
	<u>(4,368)</u>	<u>12,752</u>	<u>(12,560)</u>	<u>(380)</u>	<u>(4,556)</u>
Legacy income	95	-	-	-	95
Capital expenditure form GAG	324	-	(129)	192	387
Devolved capital grant	149	-	-	-	149
	<u>568</u>	<u>-</u>	<u>(129)</u>	<u>192</u>	<u>631</u>
Total restricted funds	<u>(3,800)</u>	<u>12,752</u>	<u>(12,689)</u>	<u>(188)</u>	<u>(3,925)</u>
Unrestricted funds					
General funds	<u>337</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>425</u>
Total unrestricted funds	<u>337</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>425</u>
Total Funds	<u>(3,463)</u>	<u>12,840</u>	<u>(12,689)</u>	<u>(188)</u>	<u>(3,500)</u>

Notes

(i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for premises/capital purposes. The limits were not exceeded.

(ii) The Standards Grant is provided by the EFA and the Local Authority to support the improvements in teaching and learning at the Academy.

(iii) The Special Education Needs (SEN) funding has been provided by the Local Authority to fund those pupils that require additional educational support.

(iv) Includes insurance claims, settlements and mentor training, catering and notional rent charge.

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ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2013 were allocated as follows:

	B/FWD Total £'000s	Surplus/ (Deficit) For Year £'000s	C/FWD Total £'000s
Basildon Upper Academy	429	104	533
Basildon Lower Academy	403	27	430
Total before fixed asset fund and pension reserve	832	131	963
Restricted fixed asset fund	568	63	631
Pension reserve	(4,863)	(231)	(5,094)
Total	(3,463)	(37)	(3,500)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff £'000s	Other Support Staff Costs £'000s	Educational Supplies £'000s	Other Costs £'000s	Total 2013 £'000s
Basildon Lower Academy	3,175	961	199	1,972	6,307
Basildon Upper Academy	3,184	762	182	2,254	6,382
	<u>6,359</u>	<u>1,723</u>	<u>381</u>	<u>4,226</u>	<u>12,689</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted general funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Tangible fixed assets	-	-	631	631	568
Current assets	425	1,500	-	1,925	2,363
Creditors due within one year	-	(962)	-	(962)	(1,531)
Pension scheme liability	-	(5,094)	-	(5,094)	(4,863)
	<u>-</u>	<u>564</u>	<u>631</u>	<u>1,205</u>	<u>1,137</u>

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425 (4,556) 631 (3,500) (3,463)

20. CENTRAL SERVICES

The Trust does not charge for central costs. Costs are allocated directly to both academies with the exception of the following that are split evenly to each academy:

- All salary and related costs
- Certain IT costs
- Recruitment related expenditure
- Professional services and agency staff

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
Net incoming resources before actuarial losses	151	330
Donation of free use of land and buildings	(1,043)	-
Notional value of rent on free use of land and buildings	1,043	-
Returns on investments and servicing of finance	(5)	(3)
Depreciation of tangible fixed assets	129	113
Capital grants from DfE	-	(39)
Decrease in stocks	11	9
Decrease in debtors	41	374
Decrease in creditors	(569)	(586)
FRS 17 pension finance costs	165	183
FRS 17 pension service costs less contributions paid	(122)	(7)
Net cash (outflow)/inflow from operations	(199)	374

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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £000	2012 £000
Returns on investments and servicing of finance		
Interest received	<u>5</u>	<u>3</u>
	2013 £000	2012 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(192)	(152)
Capital grants from DfE	-	39
	<u>(192)</u>	<u>(113)</u>
Net cash outflow capital expenditure	(192)	(113)

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand:	<u>2,062</u>	<u>(386)</u>	<u>-</u>	<u>1,676</u>
Net funds	<u>2,062</u>	<u>(386)</u>	<u>-</u>	<u>1,676</u>

24. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the DfE (also known as the Department for Education) the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the DfE.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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25. CAPITAL COMMITMENTS

At 31 August 2013 the Academy had capital commitments as follows:

	2013 £000	2012 £000
Contracted for but not provided in these financial statements	-	-

LEASE COMMITMENTS

As explained previously, the Academy's land and buildings are rent free under a licence to occupy and a notional rental is charged within the financial statements at £1,042,500 and an equivalent value of the gift is included within voluntary income.

26. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund through Essex County Council. Both are defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

Teachers' Pension Scheme Changes

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

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

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £520,000 of which employer's contributions totalled £430,000 and employees' contributions totalled £90,000. The agreed contribution rates for future years are 11.2% plus an additional pension contribution of £250,000 for employers and 5.5% to 12.5% for employees.

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

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	<i>Expected return at 31 August 2012 %</i>	<i>Fair value at 31 August £000</i>
Equities	6.60	1,432	5.90	1,048
Gilts	3.50	176	2.80	92
Property	5.60	242	4.90	201
Other Bonds	4.40	198	3.90	139
Cash	0.50	66	0.50	62
Alternative Assets	4.40	88	-	-
Total market value of assets		<u>2,202</u>		<u>1,542</u>
Present value of scheme liabilities		<u>(7,296)</u>		<u>(6,405)</u>
(Deficit)/surplus in the scheme		<u><u>(5,094)</u></u>		<u><u>(4,863)</u></u>

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The amounts recognised in the Balance sheet are as follows:

	2013 £000	2012 £000
Present value of funded obligations	(7,296)	(6,405)
Fair value of scheme assets	<u>2,202</u>	<u>1,542</u>
Net liability	<u>(5,094)</u>	<u>(4,863)</u>

The amounts recognised in the Statement of financial activities are as follows:

	2013 £000	2012 £000
Current service cost	(308)	(246)
Interest on obligation	(255)	(263)
Expected return on scheme assets	90	80
Gains on curtailments and settlements	<u>-</u>	<u>(162)</u>
Total	<u>(473)</u>	<u>(591)</u>
Actual return on scheme assets	<u>(267)</u>	<u>(95)</u>

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

	2013 £000	2012 £000
Opening defined benefit obligation	6,405	4,766
Current service cost	308	246
Interest cost	255	263
Contributions by scheme participants	90	92
Actuarial Losses	363	1,076
Losses on curtailments	-	162
Benefits paid	<u>(125)</u>	<u>(200)</u>
Closing defined benefit obligation	<u>7,296</u>	<u>6,405</u>

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

	2013 £000	2012 £000
Opening fair value of scheme assets	1,542	562
Expected return on assets	90	80
Actuarial gains and (losses)	175	593
Contributions by employer	430	415
Contributions by employees	90	92
Benefits paid	<u>(125)</u>	<u>(200)</u>
	<u>2,202</u>	<u>1,542</u>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities was £506,000 (2012: £318,000).

The Academy expects to contribute £410,000 to its Defined benefit pension scheme in 2014.

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

	2013	2012
Discount rate for scheme liabilities	4.70%	3.90%
Rate of increase in salaries	4.70%	3.70%
Rate of increase for pensions in payment / inflation	2.90%	1.90%
Inflation assumption (CPI)	2.90%	1.90%
Retail price increases	3.70%	2.35%

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

	2013	2012
Retiring today		
Males	22.7	22.7
Females	25.3	25.3
Retiring in 20 years		
Males	24.2	24.1
Females	26.9	26.8

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Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(7,296)	(6,405)	(4,766)
Scheme assets	<u>2,202</u>	<u>1,542</u>	<u>562</u>
Deficit	<u>(5,094)</u>	<u>(4,863)</u>	<u>(4,204)</u>
Experience adjustments on scheme liabilities	(363)	(1,076)	-
Experience adjustments on scheme assets	<u>175</u>	<u>593</u>	<u>-</u>

Sensitivity Analysis

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	7,120	7,296	7,478
Projected service cost	318	329	339
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present value of total obligation	7,042	7,296	7,554
Projected service cost	315	329	343

27. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Expiry date:				
Between 2 and 5 years	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>

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28. 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.

29. RELATED PARTY TRANSACTIONS

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