

**Redborne Upper School
and Community
College**

**Annual Report and Financial
Statements**

For the period from 16 March 2011
to 31 August 2012

Company Limited by Guarantee
Registration Number
07566436 (England and Wales)

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Reference and administrative information

Governors	R A'Court *(Chairman) C Birtwhistle A Brown M Cathrall T Corkett N Croft (Headteacher and Accounting Officer)* A Day (Staff Governor) M Drake (Deceased March 2011) T Eager (Staff Governor) B Farbon * (Responsible Officer) D Farbon* Prof J Harris* L Harrison (Staff Governor) S Male (Resigned 10 May 2011) R Mintern (Appointed 1 November 2011) Prof J Morris* G Pereira* PA Rumble (Appointed 1 November 2011) S Salisbury CP Templeman (Appointed 22 June 2011) D Thompson J Tucker
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* members of the Finance Committee

Company Secretary S Anson

Senior Leadership Team

Headteacher	N Croft
Deputy Head	S Gray
Deputy Head	L Darlow
Deputy Head	D Buthee

Business Manager S Anson

Registered address Flitwick Road
Amphill
Bedfordshire
MK45 2NU

Company registration number 07566436 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers NatWest Bank
152 Silbury Boulevard
Central Milton Keynes
MK9 1LT

Solicitors Stone King
16 St Johns Lane
London
EC1M 4BS

Governors' report Period from 16 March 2011 to 31 August 2012

The governors of Redborne Upper School and Community College ('the School') present their statutory report together with the financial statements of the charitable company for the period from 16 March 2011 to 31 August 2012.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 29 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ("SORP 2005").

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Redborne Upper School and Community College and are also the directors of the Charitable Company for the purpose of company law. The Charitable Company is known as Redborne Upper School and Community College. Details of the governors who served throughout the period are detailed on page 1. The Academy Trust was incorporated on 16 March 2011 and became an open Academy school on 1 April 2011.

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 as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member. In accordance with normal practice the Academy has purchased insurance to protect the governors and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £2 million and in the period under review the sum of £1,622 was paid.

Governors' duties and responsibilities

1. The conduct of the Academy (i.e. ethos, appearance, attitudes, level of parental support, etc) is under the direction of the Governors. The Headteacher is responsible for the internal organisation and management of the Academy.
2. The Governors can modify the curriculum policy to match their aims for the Academy. The determination and organisation of the secular curriculum is the responsibility of the Head.
3. The Governors share responsibility with DfE and the Headteacher for ensuring that:
 - ◆ the National Curriculum is followed;
 - ◆ only approved external qualifications and syllabuses are offered to students;
 - ◆ religious education is provided for all in accordance with the agreed syllabus.

Governors' report Period from 16 March 2011 to 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' duties and responsibilities (continued)

4. The Governors must try to ensure that the right provision is made for students with special educational needs.
5. The Governors must have a policy on whether and how sex education should be provided at the Academy.
6. The Governors must decide how the Academy's delegated budget is spent, and ensure that accurate accounts are kept.
7. The Governors must implement a Charging Policy in line with Government legislation.
8. The Governors must decide how many staff should work at the Academy and who should be appointed. They can recommend dismissal of staff and should set out disciplinary rules and procedures. They can use their discretion over the award of incentive allowances.
9. Discipline: The Governors may draw up a written statement of general principles to the Head and must hear any appeals by parents against exclusion.
10. The Governors control the use of premises outside school time and should periodically inspect the premises and keep the LEA informed as to the condition and state of repair under the terms of a 125 year lease.
11. The Governors must ensure that attendance registers are kept properly.

Principal activities

The Academy Trust's principal activity is to establish and maintain an independent school which provides education to pupils of different abilities who are mainly drawn from the area in which the School is situated.

Governors

The governors are directors of the Charitable Company for the purposes of the Companies Act 2006. The following trustees were in office at 31 August 2012 and served throughout the year except where shown.

Governor	Appointed/Resigned	Appointing body
Mr C Birtwisle	16 March 2011	Members of the Academy Trust
Mrs A Brown (Vice Chairman)	16 March 2011	Members of the Academy Trust
Mr M Cathrall	16 March 2011	Members of the Academy Trust
Mr T Corkett	16 March 2011	Parent body
Dr R A'Court (Chairman)	16 March 2011	Parent body
Mr N Croft (Headteacher)	16 March 2011	Ex officio
Mr A Day	16 March 2011	The School's staff
Mr T Eager	16 March 2011	The School's staff

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors (continued)

Governor	Appointed/Resigned	Appointing body
Mr B Farbon	16 March 2011	Members of the Academy Trust
Mr D Farbon	16 March 2011	Members of the Academy Trust
Professor J Harris	16 March 2011	Parent body
Mrs L Harrison	16 March 2011	The School's staff
Mr R Mintern	16 March 2011	Parent body
Professor J Morris	16 March 2011	Members of the Academy Trust
Mr G Pereira	16 March 2011	Members of the Academy Trust
Mrs P Rumble	1 November 2011	Members of the Academy Trust
Mrs S Salisbury	16 March 2011	Parent body
Mr C Templeman	22 June 2011	Parent body
Mr D Thompson	16 March 2011	Members of the Academy Trust
Mrs J Tucker	16 March 2011	Members of the Academy Trust

Method of recruitment and appointment or election of governors

The Governing Body comprises of 6 parent governors, 10 community governors, 3 staff governors and the Headteacher. The parent governors are elected by the parent body of the Academy. The staff governors are elected by the Academy's staff. The 10 community governors are appointed by the Members of the Academy Trust. Community governors may be re-appointed after the end of their term of office. Individuals may request to join the Governing Body and the Members of the Academy Trust may decide to invite one of these individuals to join should a vacancy arise.

Policies and procedures adopted for the induction and training of governors

All governors undertake training as appropriate to their work at the Academy. New governors will be provided with an induction programme delivered in-house. A log is kept of all governor training and reviewed on a regular basis at the full Governing Body meetings.

Organisational structure

The governors, who are also the charity trustees, are responsible for the overall management and control of the Academy and meet at least three times a year.

The work of reviewing and monitoring most policies is delegated to the members of the Committees as outlined below. They all work under the chairmanship of a governor appointed at the first committee meeting in each academic year. Terms of reference of these committees are agreed annually at these meetings. The Clerk to the governors co-ordinates the work of the governors and their Committees, prepares agendas and papers and reviews matters arising. The Business Manager prepares the financial statements on behalf of the governors.

All governors give their time to the role freely, no remuneration and only limited expenses were paid in the period.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Each of the six sub-committees, which are detailed below with their responsibilities, can make recommendations that must be endorsed by the Full Governing Body. The Committees and the Governing Body meet three times per year.

Premises and Community Sub-Committee

- ◆ Encourage links between the Academy and local business, arts, sports organisation, etc.
- ◆ Promote the Academy in the community use of premises. Condition of the buildings, maintenance, improvement or extension, reviewing quotations from contractors. Monitoring Academy grounds and cleaning arrangements. Usage, efficiency and potential development of the Academy premises.

Curriculum and Student Welfare Sub-Committee

- ◆ Oversee the Academy's curriculum and monitor standards.
- ◆ National Curriculum.
- ◆ Curricular policies, Curriculum Development Plan.
- ◆ Inspectors' reports, examination results, Learning Support.
- ◆ Reporting to parents.
- ◆ Discipline, admissions, times of school day.
- ◆ General welfare of students.

Finance Sub-Committee

- ◆ Draw up the annual revenue budget. Confirm purchases over £25,000.
- ◆ Monitor income and expenditure, consider auditor's reports.
- ◆ Authorise virement. Oversee capital expenditure.
- ◆ Lettings policies, charges to students.
- ◆ Receive audited School Fund account and other financial statements.

Personnel Sub-Committee

- ◆ Staff conditions of service. Staff and governor training. Staff discipline.
- ◆ Staff appraisal.
- ◆ Staff recruitment.
- ◆ Health and Safety at Work.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Disciplinary/Exclusions Sub-Committee

- ◆ Appeals from parents against exclusion of pupils.
- ◆ Appeals from parents regarding admissions.
- ◆ Appeals from staff regarding pay or discipline.
- ◆ Appeals from parents regarding the curriculum.

Salaries Sub-Committee

- ◆ Staff pay policy.
- ◆ Staff salaries.

The governors determine the general policies of the Academy. The day to day running of the Academy is delegated to the Headteacher, supported by the Senior Leadership Team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The day to day administration is undertaken within the policies and procedures approved by the governors. Only significant expenditure decisions and major capital projects should be referred to the governors for prior approval.

The Headteacher is an ex-officio governor, Principal Accounting Officer and attends all Governing Body meetings. The Deputy Headteacher, the Assistant Headteachers and the Business Manager are invited to attend governors' meetings as appropriate.

Risk management

The governors conduct an annual review of the major risks to which the Academy Trust is exposed.

The governors are responsible for the overseeing of the risks faced by the Academy. Detailed considerations of risk are delegated to the Senior Leadership Team of the Academy. Risks are identified, assessed and controls established throughout the period. A risk review has been undertaken and an analysis prepared, further work will be undertaken by the various Committees to finalise the document. Risk is managed under the headings of strategic and reputational risks, operational risks, compliance risks and financial risks as recommended by the DfE's Academy Financial Handbook.

Through the risk management processes that are being formalised by the Academy, the governors are satisfied that the major risks identified will be adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks will be adequately managed.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

The Headteacher is a member of a number of professional organisations which enable him to keep abreast of current educational matters and network with other outstanding schools to share expertise, knowledge and experience.

As part of its work, the School has a formal partnership with Bedford University and the Teacher Development Agency to provide Graduate Teacher Training and teacher training in the area. The school is host to the Redborne School Sports Partnership that is funded by grant income and subscriptions from partner school.

The Governors annually review these partnerships with these partner institutions.

Auditor

In so far as the governors are aware:

- ◆ there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- ◆ the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

This statement of objectives provides a framework for all that we are striving to achieve at Redborne Upper School and Community College. It is intended to give guidelines to governors, staff, students, parents and carers to ensure a common sense of purpose. The two basic objectives are as follows:

- ◆ To foster the spiritual, emotional, moral, social, cultural, mental and physical development of all students, both as individuals and as members of society, and thus seek to realise each student's full potential in all areas of school life.
- ◆ To prepare all students to approach positively and confidently the opportunities, responsibilities and experiences of adult life.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

In particular we aim at Redborne Upper School and Community College:

- ◆ To provide an environment, which is friendly, stimulating, disciplined, supportive and positive, and which promotes an attitude of co-operation and self-discipline.
- ◆ To provide equality of opportunity for all to enjoy learning, experience success, receive recognition and thus achieve respect, dignity and self-confidence.
- ◆ To provide a broad balanced coherent and appropriate educational experience for each individual.
- ◆ To develop both individual and group skills, powers of clear, creative, critical and reflective thinking, and the capacity to make informed and responsible decisions.
- ◆ To develop a reasoned set of attitudes, values and beliefs, combined with an open-minded and sensitive attitude towards the ideas and view of others.
- ◆ To encourage an awareness and understanding of the variety of the world's beliefs and cultures and of the interdependence of people.
- ◆ To develop an understanding of the physical world and the necessity to live harmoniously with the natural environment.
- ◆ To promote a sense of responsibility towards others and a wish to contribute positively and actively to the local community and the wider society.
- ◆ To develop an appreciation of the value of education as a lifelong process, and the motivation and skills for further learning.
- ◆ To foster an adaptability which can help individuals cope with changes in the future pattern of life and work.

Public Benefit

In setting the Academy Trust's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. The Governing Body consider that all activities undertaken fall within the guidance.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The 2008 OfSTED inspection reported that Redborne Upper School met the criteria for 'outstanding' achievement and standards. Considerable and sustained progress has been made since 2008 on all key indicators, culminating in the best ever results at both GCSE and A level in 2012. There is a culture of improvement evident at all levels in the Academy, and there has been a particular emphasis on improving achievement in the sixth form in the four year period to 2012. Results at KS4 have continued to improve further from an already high base and curriculum improvements introduced in 2010 resulted in the largest single year improvement ever on the level 2 threshold measure in 2012.

In 2012 we yet again achieved our best ever results at KS4 on all five of the key performance indicators:

- ◆ percentage of students achieving five A*-C grades (93%);
- ◆ percentage of students achieving five A*-C grades including English/Maths (74%);
- ◆ average total points score per student (555.4); average capped points score per student (369.2);
- ◆ percentage of students achieving the English Baccalaureate (24%).

Since 2008, the number of students achieving five or more A*-C grades has risen by 23% (from 258 to 317) and the figure for five or more A*-C grades including English and Maths has risen by 12% (from 226 to 252).

Our academic results again showed further improvements with some of our public examination results being the best achieved by the Academy to date.

A level results in 2012 were the best ever. On three key indicators we achieved our highest ever performance:

- ◆ average total points score per student;
- ◆ average total points score per entry;
- ◆ pass rate at A*-B;

The average total points score per student of 911.8 is significantly higher than our previous best in 2011 and over 120 points higher than at the time of the last inspection in 2008 – this represents over four grades per student. This is now the seventh consecutive year that the three year rolling average of this measure has continued to increase and the increase from 2011 to 2012 of over 50 points was the second largest improvement on record.

The overall pass rate of 98.7% remains excellent. This reflects the continued emphasis on monitoring and tracking, in particular with regard to entries in general studies.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

The pass rate at A* to B grades was also the best on record. There was a further increase in this measure since 2011, which was itself the previous record by some margin. Over half the papers sat in each of the last two years have been graded at A*-B. Since the time of the last inspection this measure has gone up by 69% (from 31% to 52.5%). For subjects other than general studies, the figure is even higher at 56%, a score which compares favourably with many selective and independent schools.

Other key achievements and activities in the 2011/12 academic year have included:-

- ◆ Receiving excellent reports from our School Improvement Partner (SIP) for submission to the DfE;
- ◆ Students at the school undertook a wide range of extra curricular activities from arts through to sports with considerable success;
- ◆ Successful conversion and consolidation to academy status;
- ◆ Agreement of outline plans for the Design Technology extension;
- ◆ Increased use of technology to support learning in the classroom through establishment of the School's virtual learning environment (VLE);
- ◆ Continued staff development through regular teacher sessions and the continuation of a middle leader training programme.

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.

FINANCIAL REVIEW

Financial report for the year

The net movement on funds for the period amounted to £11,517,010.

Excluding the funds received on conversion to academy status, the majority of the Academy's funding was provided by the Young People's Learning Agency (YPLA) (from April 2012 the Educational Funding Agency (EFA)). The Academy's total incoming resources for the period 16 March 2011 to 31 August 2012 amounted to £23,554,226 of which £11,072,682 related to funds received on conversion, £10,678,293 related to the YPLA/EFA revenue grant and £564,370 of capital grants. Resources expended for the period totalled £11,756,216. In addition there was an actuarial loss on the defined benefit pension scheme of £281,000.

The Academy held fund balances of £11,517,010 at 31 August 2012 which includes unrestricted funds of £928,719, whilst the remainder of the funds are restricted.

The results for the year are shown on page 23.

Principal risks and uncertainties

The governors have created a risk register that is reviewed annually which covers the following:

- ◆ the type of risks the Academy faces and the risks regarded as tolerable;
- ◆ the likelihood of the risks materialising and the Academy's ability to reduce their incidence and impact on the Academy's operations; and
- ◆ control procedures which can respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment.

The principal risks and uncertainties facing the Academy include:

- ◆ natural risk – uncontrollable event e.g. fire;
- ◆ failure to comply with Health and Safety legislation resulting in an employee/pupil or visitor being injured or killed;
- ◆ financial control risk resulting in serious budget deficit or fraud;
- ◆ failure to comply with Employment law resulting in litigation, tribunals;
- ◆ competition for funding/reputation/stakeholder risk – achievement standards falling or poor marketing, falling rolls;
- ◆ charitable status risk – risk the Academy could lose its charitable status;
- ◆ insurance risk – inadequate insurance;
- ◆ technology risk – information security risk, virus risk/corruption of data risk; and
- ◆ quality risk of suppliers e.g. capital project providers.

FINANCIAL REVIEW (continued)

Reserves policy

As part of the transfer to Academy status, the governors are in a position to determine an appropriate level of free reserves (total funds less the amount held in tangible fixed assets, restricted funds and designated funds). The minimum level of free reserves to be held should be £200,000. The reason for this is to provide sufficient working capital to provide resources to deal with unexpected emergencies, such as urgent maintenance, and to cover delays between spending and receipt of grants. Due to the one off receipt of previous surpluses on conversion, the Academy's current level of free reserves is £928,719.

Investment policy

The School's Investment Strategy is to:

1. Regularly monitor cash flow and current and fund bank account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the accounts have adequate balances to meet forthcoming commitments. In practice a working balance of between £100,000 and £300,000 is likely to be maintained.
2. Identify funds surplus to immediate cash requirements and transfer to the Academy's liquidity deposit account which bears a higher interest rate.
3. Periodically review interest rates and compare with other investment opportunities.
4. Only invest funds in risk free and immediately assessable deposit accounts.

Any change in policy requires the approval of the governors via the Finance Committee.

FUTURE ACTIVITIES AND PLANS

The governors intend to continue their current strategies aimed at maintaining the Academy's reputation by providing outstanding education for all students. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole person.

The Head and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our students' development.

Our future plans are financed from income direct from the EFA, related to student numbers and other lump-sum factors. Governors will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students.

Maintaining and, where necessary, developing the fabric of the facilities of the Academy are central to our strategy. Our short term plans are primarily focussed on the extension of the Design Technology building to provide new rooms for the teaching of Food Technology and Textiles/Fashion. Further extension of this building would allow for the relocation of the Art department and a re-allocation of existing rooms to other departments, the sixth form facilities and the provision of new sports facilities.

Governors' report Period from 16 March 2011 to 31 August 2012

FUTURE ACTIVITIES AND PLANS (continued)

The governors have a planned programme of maintenance and investment. Since the period end work has started on replacing a number of flat roofs around the Academy which will ensure continued lifespan for existing buildings over the next 35 years. Each year the Academy invests heavily in computer equipment and infrastructure to ensure the students and Academy staff have the very best technology that can be provided.

Environmental issues are also high priority and the governors continue to develop the Academy's buildings to ensure they are more energy efficient.

Approved by order of the members of the Governing Body on 29 Nov 2012 and signed on its behalf by:



R A' Court
Chairman

Date: 29 Nov 2012

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the Redborne Upper School and Community College has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met four times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Number of meetings attended	Out of a possible
Mr C Birtwisle	3	4
Mrs A Brown	4	4
Mr M Cathrall	3	4
Mr T Corkett	2	4
Dr R A'Court	4	4
Mr N Croft	4	4
Mr A Day	4	4
Mr T Eager	3	4
Mr B Farbon	4	4
Mr D Farbon	3	4
Professor J Harris	0	4
Mrs L Harrison	3	4
Mr R Mintern	2	3
Professor J Morris	3	4
Mr G Pereira	4	4
Mrs P Rumble	2	4
Mrs S Salisbury	2	4
Mr C Templeman	2	3
Mr D Thompson	1	4
Mrs J Tucker	4	4

Governance (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose and responsibilities are described on page seven.

Attendance at meetings in the period was as follows:

Governor	Number of meetings attended	Out of a possible
Dr R A'Court	4	4
Mr N Croft	2	4
Mr B Farbon	4	4
Mr D Farbon	3	4
Professor J Harris	2	4
Professor J Morris	3	4
Mr G Pereira	1	4

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the period ended 31 August 2012 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 an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- ◆ regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

Governance statement 31 August 2012

The risk and control framework (continued)

- ◆ 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 governors have appointed B Farbon, a governor, as Responsible Officer ('RO'). The RO'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 RO will report to the governors on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of effectiveness

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

- ◆ the work of the Responsible Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the governing body and signed on their behalf by:



R A'Court
Chairman



N Croft
Headteacher and Accounting Officer

Approved on: 29 Nov 2012

Statement on regularity, propriety and compliance 31 August 2012

As accounting officer of Redborne Upper School and Community College, 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 trust 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 trust's funding agreement and the Academies Financial Handbook.

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



N. Croft

Head teacher and Accounting Officer

Date:

29/8/2012

Statement of governors' responsibilities 31 August 2012

The governors (who act as trustees for charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 29 Nov 2012 and signed on its behalf by:



R. A'Court
Chairman

Date:

29 Nov 2012

Independent auditor's report to the members of Redborne Upper School and Community College

We have audited the financial statements of Redborne Upper School and Community College for the period ended 31 August 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the charity'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 Trust's members those matters we are required to state to them in an auditor's 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 Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of Redborne Upper School and Community College and are also the directors of the Academy Trust for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the Governors' report, the governors 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 (APB'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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's reports 31 August 2012

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

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 governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Simon Goodridge

Simon Goodridge, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

13/12/12

Independent auditor's report on regularity to the governing body of Redborne Upper School and Community College and the Education Funding Agency

In accordance with the terms of our engagement letter dated 17 February 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period from 16 March 2011 to 31 August 2012 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 governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and auditor

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed or income received during the period from 16 March 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 16 March 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Simon Goodridge

Simon Goodridge, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

13/12/12

Statement of financial activities Period from 16 March 2011 to 31 August 2012

Notes	Unrestricted general fund £	Restricted funds			2012 Total funds £	
		EFA £	Other £	Fixed assets fund £		
Incoming resources						
Incoming resources from generated funds						
. Voluntary income - transfer from Local Authority on conversion	24	781,509	(478,000)	46,150	10,723,023	11,072,682
. Voluntary income	2	32,053	—	26,017	—	58,070
. Activities for generating funds	3	622,302	—	96,249	—	718,551
. Investment income	4	14,817	—	—	—	14,817
Incoming resources from charitable activities						
. Funding for the academy's educational operations	5	—	10,678,293	447,443	564,370	11,690,106
Total incoming resources		1,450,681	10,200,293	615,859	11,287,393	23,554,226
Resources expended						
Charitable activities						
. Academy's educational operations	7	405,905	10,486,236	448,325	399,230	11,739,696
Governance costs	8	—	16,520	—	—	16,520
Total resources expended	6	405,905	10,502,756	448,325	399,230	11,756,216
Net incoming/(outgoing) resources for the period						
		1,044,776	(302,463)	167,534	10,888,163	11,798,010
Transfers between funds		(116,057)	(90,737)	—	206,794	—
Other recognised gains and losses						
Actuarial (losses) on defined benefit pension scheme	22	—	(281,000)	—	—	(281,000)
Net movement in funds		928,719	(674,200)	167,534	11,094,957	11,517,010
Reconciliation of funds						
Fund balances brought forward at 16 March 2011		—	—	—	—	—
Fund balances carried forward at 31 August 2012		928,719	(674,200)	167,534	11,094,957	11,517,010

All of the academy trust's activities derive from acquisitions in the current financial period.

A separate Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2012

	Notes	2012 £	2012 £
Fixed assets			
Tangible fixed assets	12		11,081,602
Current assets			
Debtors	13	192,360	
Cash at bank and in hand		1,311,387	
		1,503,747	
Creditors: amounts falling due within one year	14	(290,339)	
Net current assets			1,213,408
Total assets less current liabilities			12,295,010
Net assets excluding pension scheme liability			
Pension scheme liability	22		(778,000)
Net assets including pension scheme liability			11,517,010
Funds of the School			
Restricted funds			
. Fixed assets fund	15		11,094,957
. EFA fund	15		103,800
. Pension reserve	15		(778,000)
. Other funds	15		167,534
			10,588,291
Unrestricted funds			
. General fund	15		928,719
Total funds			11,517,010

The financial statements on page 23 to 45 were approved by the Governors, and authorised for issue on 29/11/ 2012 and are signed on their behalf by:



R. A'Court
Chairman

Redborne Upper School and Community College
Company Limited by Guarantee
Registration Number: 07566436 (England and Wales)

Cash flow statement Period from 16 March 2011 to 31 August 2012

	Notes	2012 £
Net cash inflow from operating activities	17	568,757
Cash transferred on conversion to academy trust	24	827,659
Returns on investment and servicing of finance	18	14,817
Capital expenditure	19	(99,846)
Increase in cash in the period		1,311,387
Reconciliation of net cash flow to movement in net funds:		
Net funds at 16 March 2011		—
Net funds at 31 August 2012		1,311,387

All of the cash flows derived from acquisitions in the current financial period.

Basis of Preparation

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

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Redbourne Upper School and Community College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Redbourne Upper School and Community College. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The net assets transferred on conversion comprised the pension liability at the start of the period, the balance on the School funds account and the land and buildings. Further details of the transaction are set out in note 24 of the financial statements.

Going Concern

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

Incoming Resources

All incoming resources are recognised 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.

Incoming Resources (continued)

Donations

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

Other income

Other income is recognised in the period it is receivable.

Gifts in kind

The value of gifts in kind provided to the Academy are recognised at a valuation attributed by the governors in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured.

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.

Costs of generating funds

These are costs incurred in attracting voluntary income.

Charitable activities

These are costs incurred on the Academy's educational operations.

Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more 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 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 School's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

Freehold buildings	2% per annum
Fixtures, fittings and equipment	20% per annum

Depreciation is charged from the month of acquisition.

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.

Taxation

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

Pensions Benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

Pensions Benefits (continued)

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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 until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 governors.

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

Restricted EFA funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Central Bedfordshire Council.

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

1 General Annual Grant (GAG)

	2012 £
a. Results and Carry Forward for the period	
GAG allocation for current period	10,588,764
Total GAG available to spend	10,588,764
Recurrent expenditure from GAG	(10,394,227)
Fixed assets purchased from GAG	(90,737)
GAG carried forward to next year*	103,800
Maximum permitted GAG carry forward at end of current year (12% of allocation for current academic year)	(898,968)
GAG to surrender to DfE (12% rule breach if result is positive)	(795,168)
	No Breach

* This excludes the FRS17 charge of £19,000.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Other Donations	32,053	26,017	58,070
	32,053	26,017	58,070

3 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Hire of facilities	101,650	21,050	122,700
Trip income	226,266	—	226,266
Catering income	148,933	—	148,933
Miscellaneous income	145,453	75,199	220,652
	622,302	96,249	718,551

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

4 Investment Income

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Interest receivable	14,817	—	14,817

5 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	2012 Total funds £
DfE / EFA capital grant			
. Capital funding for 3G Pitch	—	457,422	457,422
. Capital funding – devolved formula	—	83,364	83,364
. Capital funding – CBC lighting grant	—	23,584	23,584
	—	564,370	564,370
DfE / EFA revenue grant			
. General Annual Grant (GAG) (note 1)	—	10,588,764	10,588,764
. SSP redundancy grant	—	27,600	27,600
. 16-18 Bursary fund	—	20,204	20,204
. Other EFA grants	—	34,125	34,125
. Other DfE / EFA – PE Teachers grant	—	7,600	7,600
	—	10,678,293	10,678,293
Other government grants			
. Local authority grants – RSP grants	—	56,032	56,032
. Local authority grants – various other	—	236,464	236,464
. Special educational projects	—	154,947	154,947
	—	447,443	447,443
	—	11,690,106	11,690,106

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

6 Resources expended

	Staff costs £	Non pay expenditure		2012 Total funds £
		Premises £	Other costs £	
Charitable activities				
. School's educational operations				
.. Direct costs	7,714,204	—	1,308,931	9,023,135
.. Allocated support costs	1,068,722	500,492	1,147,347	2,716,561
	<u>8,782,926</u>	<u>500,492</u>	<u>2,456,278</u>	11,739,696
Governance costs	—	—	16,520	16,520
	<u>8,782,926</u>	<u>500,492</u>	<u>2,472,798</u>	11,756,216

Net incoming resources for the period includes:	2012 £
Operating leases	20,916
Fees payable to auditor	
. Statutory audit	9,000
. Non statutory audit	1,750
. Other services	2,930

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

7 Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Direct costs			
Teaching and educational support staff costs	11,996	7,702,208	7,714,204
Educational supplies	30,671	793,988	824,659
Examination fees	17,898	340,948	358,846
Staff development	—	43,222	43,222
Other direct costs	17,065	65,139	82,204
	<u>77,630</u>	<u>8,945,505</u>	<u>9,023,135</u>
Allocated support costs			
Support staff costs	—	1,068,722	1,068,722
Depreciation	—	305,637	305,637
Recruitment and support	—	57,955	57,955
Maintenance of premises and equipment	372	351,978	352,350
Cleaning	412	164,788	165,200
Rent and rates	—	47,456	47,456
Insurance	—	117,223	117,223
Security and transport	228,382	3,545	231,927
Catering	88,112	—	88,112
Bank interest and charges	—	142	142
Other support costs	10,997	270,840	281,837
	<u>328,275</u>	<u>2,388,286</u>	<u>2,716,561</u>
	<u>405,905</u>	<u>11,333,791</u>	<u>11,739,696</u>

8 Governance costs

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Legal and professional fees	—	2,840	2,840
Auditor's remuneration:			
Audit of financial statements	—	9,000	9,000
Other audits	—	1,750	1,750
Other services	—	2,930	2,930
	<u>—</u>	<u>16,520</u>	<u>16,520</u>

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

9 Staff costs

Staff costs during the period were:

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Wages and salaries	38,996	7,098,588	7,137,584
Social security costs	—	548,855	548,855
Pension costs	—	1,022,184	1,022,184
	38,996	8,669,627	8,708,623
Supply teacher costs	—	55,303	55,303
FRS17 charge	—	19,000	19,000
	38,996	8,743,930	8,782,926

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

Charitable activities	2012 £
Teachers	97
Administration and support	58
Management	5
	160

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

	2012 No
£60,001 - £70,000	2
£70,001 - £80,000	2
£120,001 - £130,000	1

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012 pension contributions for these staff amounted to £70,374.

10 Governors' remuneration and expenses

The Head and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration in the 17 month period to 31 August 2012 was as follows:

	2012 £
N Croft, Headteacher	£125,001 - £130,000
A Day, staff governor & trustee	£45,001 - £50,000
T Eager, staff governor & trustee	£45,001 - £50,000
L Harrison, staff governor & trustee	£20,001 - £25,000

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

10 Governors' remuneration and expenses (continued)

No travel and subsistence expenses were reimbursed to governors during the period ended 31 August 2012.

Other related party transactions involving the governors are set out in note 23.

11 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,622.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total funds £
Cost/valuation			
Transfer on conversion	10,723,023	—	10,723,023
Additions	573,478	90,738	664,216
At 31 August 2012	<u>11,296,501</u>	<u>90,738</u>	<u>11,387,239</u>
Depreciation			
Charge in period	305,584	53	305,637
At 31 August 2012	<u>305,584</u>	<u>53</u>	<u>305,637</u>
Net book value			
At 31 August 2012	<u>10,990,917</u>	<u>90,685</u>	<u>11,081,602</u>
At 16 March 2011	—	—	—

The leasehold land and buildings value above relates to the Academy site at Flitwick Road. As the site is designated for educational purposes only the land has no open market value and hence the value in these financial statements relates to the Academy buildings only.

The fixed asset fund also includes £13,355 of capital grants held as cash at the period end.

13 Debtors

	2012 £
Trade debtors	7,186
Prepayments	78,238
VAT Debtor	104,458
Other debtors and accrued income	2,478
	<u>192,360</u>

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

14 Creditors: amounts falling due within one year

	2012 £
Other taxation and social security	119,756
Other creditors	87,908
Accruals and deferred income	82,675
	<u>290,339</u>
Deferred income	
Resources deferred in the year	50,331
Deferred Income at 31 August 2012	<u>50,331</u>

Deferred income of £50,331 relates to subscriptions received in advance to the Redborne Sports Partnership for the period ending 31 August 2013.

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

15 Funds

	Balance at 16 March 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
EFA revenue grant fund					
. General Annual Grant (GAG)	—	10,588,764	(10,394,227)	(90,737)	103,800
. 16-18 Bursary fund	—	20,204	(20,204)	—	—
. SSP redundancy grant	—	27,600	(27,600)	—	—
. Other EFA grants	—	34,125	(34,125)	—	—
. Other EFA grants – PE teachers grant	—	7,600	(7,600)	—	—
	—	10,678,293	(10,483,756)	(90,737)	103,800
. Pension reserve	—	(478,000)	(19,000)	(281,000)	(778,000)
	—	10,200,293	(10,502,756)	(371,737)	(674,200)
Fixed assets fund					
. EFA capital grants	—	83,364	(66,514)	(3,495)	13,355
. Capital grants for 3G Pitch Phase 2 DT Block	—	457,422	(1,765)	71,975	527,632
. Capital grants from Local Authority – Invest to save energy	—	—	—	44,082	44,082
. GAG	—	23,584	(27,079)	3,495	—
. Academy building and furniture and equipment transferred from Local Authority	—	—	(53)	90,737	90,684
	—	10,723,023	(303,819)	—	10,419,204
	—	11,287,393	(399,230)	206,794	11,094,957
Other funds					
. Local Authority grants - SEN	—	154,946	(154,946)	—	—
. Local Authority grants - various	—	236,465	(190,246)	—	46,219
. Redbourne Sports Partnership	—	157,248	(85,734)	—	71,514
. Tennis and Community Sports Partnership	—	67,200	(17,399)	—	49,801
	—	615,859	(448,325)	—	167,534
Total restricted funds	—	22,103,545	(11,350,311)	(164,943)	10,588,291
Unrestricted funds					
. Unrestricted funds	—	1,450,681	(405,905)	(116,057)	928,719
Total unrestricted funds	—	1,450,681	(405,905)	(116,057)	928,719
Total funds	—	23,554,226	(11,756,216)	(281,000)	11,517,010

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

15 Funds (continued)

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

General restricted funds

This fund represents grants received from the EFA for the Academy's operational activities and development.

Fixed asset fund

These grants relate to funding to carry out works of a capital nature.

Other restricted funds

These funds relate to specific income received for earmarked projects or activities.

Pension reserve

The pension reserve relates to the Academy's share of the Local Government Pension Scheme.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2012 £
Fund balances at 31 August 2012 are represented by:				
Tangible fixed assets	—	—	11,081,602	11,081,602
Current assets	928,719	561,673	13,355	1,503,747
Current liabilities	—	(290,339)	—	(290,339)
Pension scheme liability	—	(778,000)	—	(778,000)
Total net assets	928,719	(506,666)	11,094,957	11,517,010

17 Reconciliation of net income to net cash inflow from operating activities

	2012 £
Net income	11,798,010
Inherited pension deficit	478,000
Depreciation (note 12)	305,637
Capital grants from DfE and other capital income	(564,370)
Interest receivable (note 4)	(14,817)
Assets transferred from local authority	(10,723,023)
Cash received on conversion	(827,659)
FRS 17 pension cost less contributions payable (note 24)	(8,000)
FRS 17 pension finance income (note 24)	27,000
(Increase) in debtors	(192,360)
Increase in creditors	290,339
Net cash inflow from operating activities	568,757

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

18 Returns on investment and servicing of finance

	2012 £
Interest received	14,817
Net cash inflow from returns on investment and servicing of finance	14,817

19 Capital expenditure and financial investment

	2012 £
Capital grants from DfE / EFA	70,010
Capital funding received from sponsors and others	494,360
Purchase of tangible fixed assets	(664,216)
Net cash outflow from capital expenditure and financial investments	(99,846)

20 Analysis of changes in net funds

	At 16 March 2011 £	Cashflows £	At 31 August 2012 £
Cash in hand and at bank	—	1,311,387	1,311,387

21 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

22 Pension and similar obligations

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

As described in note 24, the LGPS obligation relates to the employees of the trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

22 Pension and similar obligations (continued)

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

Contributions amounting to £86,779 were payable to the schemes at 31 August 2012 and are included within creditors.

Teachers' Pension Scheme (TPS)

The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of 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 investigation, 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.

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

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

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £275,000 of which employer's contributions totalled £201,000 and employees' contributions totalled £74,000.

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2012
Rate of increase in salaries	4.5%
Rate of increase for pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.1%
Inflation assumption (CPI)	4.4%

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

	At 31 August 2012
<i>Retiring today</i>	
Males	21.6
Females	23.2
<i>Retiring in 20 years</i>	
Males	23.6
Females	25.6

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.5%	576
Bonds	3.5%	188
Property	3.7%	100
Cash	2.8%	244
Total market value of assets		1,108
Present value of scheme liabilities		(1,886)
Deficit in the scheme		(778)

The actuarial loss on scheme assets was £281,000.

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in statement of financial activities	2012 £
Current service costs (net of employee contributions)	119,000
Past service costs	—
Total operating charge	119,000
Analysis of pension finance costs	
Expected return on pension scheme assets	(84,000)
Interest on pension liabilities	111,000
Pension finance costs	27,000

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £281,000.

Movements in the overall deficit were as follows:	2012 £
Deficit at 16 March 2011	(478,000)
Current service cost	(193,000)
Employer contributions	201,000
Net finance interest	(27,000)
Actuarial losses	(281,000)
At 31 August 2012	(778,000)

Movements in the present value of defined benefit obligations were as follows:	2012 £
Deficit at 16 March 2011	1,281,000
Current service costs	193,000
Interest costs	111,000
Employee contributions	74,000
Actuarial losses	227,000
At 31 August 2012	1,886,000

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Movements in the fair value of School's share of scheme assets:	2012 £
At 16 March 2011	803,000
Expected return on assets	84,000
Actuarial (loss)	(54,000)
Employer contributions	201,000
Employee contributions	74,000
At 31 August 2012	1,108,000

The estimated value of the employer contributions for the year ending 31 August 2013 is £151,000.

The experience adjustments are as follows:

	2012 £
Present value of defined benefit obligations	(1,886,000)
Fair value of share scheme assets	1,108,000
Deficit on the scheme	(778,000)
 Experience adjustments on share of scheme assets	
Amount	(54,000)
 Experience adjustments on scheme liabilities	
Amount	—

23 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no such transactions during the period.

24 Conversion to an academy trust

On 1 April 2011 Redborne Upper School and Community College converted to academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to the Academy Trust from Central Bedfordshire Council for £nil consideration.

24 Conversion to an academy trust (continued)

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities as voluntary income.

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
. Leasehold land and buildings	—	—	10,723,023	10,723,023
Budget surplus on other school funds	827,659	—	—	827,659
LGPS pension deficit	—	(478,000)	—	(478,000)
Net assets (liabilities)	827,659	(478,000)	10,723,023	11,072,682

The above net assets include £827,659 that was transferred as cash.

The land and buildings were transferred from the Local Authority for £nil consideration on a 125 year lease.

25 Capital Commitment

The Governors have approved the expenditure of £850,000, including £100,000 on fixture and fittings, to extend the Design Technology block into Phase 2. Money has been placed in the capital spending budget.

£44,082 was spent in the period on initial preparatory and planning work and is included in fixed assets. The balance of the money, £805,919, will be spent in 2012/13.

26 Lease commitments

	2012 £
Operating leases which expire	
. Within one year	2,960
. Within two to five years	28,070