

**Redborne Upper School
and Community
College**

**Annual Report and Financial
Statements**

31 August 2015

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

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Reference and administrative information

Members and Governors	R A'Court (Chairman)* C Birtwisle A Brown T Corkett N Croft (Principal and Accounting Officer)* A Day (Staff Governor) B Farbon D Farbon* Prof J Harris* L Harrison (Staff Governor) R Last R Mintern Prof J Morris* G Pereira (Responsible Officer) * PA Rumble CP Templeman J Tucker
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* members of the Finance Committee

Company Secretary	S Anson
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Senior Leadership Team

Principal	N Croft
Head of School	S Gray
Deputy Head	D Buthee
Assistant Headteacher	M Cook
Assistant Headteacher	A Day
Assistant Headteacher	A French
Assistant Headteacher	A Whomsley
Assistant Headteacher	J Williets

Registered address	Flitwick Road Amphill Bedfordshire MK45 2NU
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Company registration number	07566436 (England and Wales)
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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 LLP Boundary House Charterhouse Street London EC1M 6HR

Governors' report Year ended 31 August 2015

The governors of Redborne Upper School and Community College ('the School') present their statutory report together with the financial statements of the School for the year ended 31 August 2015. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 29 to 32 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 School'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 School for the purpose of company law. The School is known as Redborne Upper School and Community College. Details of the governors who served throughout the period are detailed on page 5. The School was incorporated on 16 March 2011 and the School became an Academy on 1 April 2011.

Members' liability

Each member of the School undertakes to contribute to the assets of the School 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 School has purchased insurance to protect the governors and officers from claims arising from negligent acts, errors or omissions whilst on School business. The cover under the policy is £2 million and in the period under review the sum of £1,101 was paid.

Governors' duties and responsibilities

1. The conduct of the School (i.e. ethos, appearance, attitudes, level of parental support, etc) is under the direction of the governors. The Principal is responsible for the internal organisation and management of the School.
2. The governors can modify the curriculum policy to match their aims for the School. The determination and organisation of the secular curriculum is the responsibility of the Head.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' duties and responsibilities (continued)

3. The governors share responsibility with DfE and the Principal 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.
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 School.
6. The governors must decide how the School'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 School 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 Principal 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 School'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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The governors are directors of the School for the purposes of the Companies Act 2006. The following governors were in office at 31 August 2015 and served throughout the year except where shown.

Governor	Appointed/Resigned	Appointing body
Mr C Birtwisle		Members of the Academy Trust
Mrs A Brown (Vice Chairman)		Members of the Academy Trust
Mr T Corkett		Parent body
Dr R A'Court (Chairman)		Parent body
Mr N Croft (Principal)		Ex officio
Mr A Day		The School's staff
Mr T Eager	Resigned 20 August 2015	The School's staff
Mr B Farbon		Members of the Academy Trust
Mr D Farbon		Members of the Academy Trust
Professor J Harris		Parent body
Mrs L Harrison		The School's staff
Mr R Last		Members of the Academy Trust
Mr R Mintern		Parent body
Professor J Morris		Members of the Academy Trust
Mr G Pereira		Members of the Academy Trust
Mrs P Rumble		Members of the Academy Trust
Mrs S Salisbury	Resigned 10 November 2014	Parent body
Mr C Templeman		Parent body
Mrs J Tucker		Members of the Academy Trust

Method of recruitment and appointment or election of governors

The Governing Body comprises 6 parent governors, 11 community governors, 3 staff governors and the Principal. The parent governors are elected by the parent body of the School. The staff governors are elected by the School's staff. The 11 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 School. 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 School and meet at least three times a year.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

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 no expenses were paid in the period.

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

Curriculum and Student Welfare Sub-Committee

- ◆ Oversee the School'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 financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Personnel Sub-Committee

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

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 School. The day to day running of the School is delegated to the Principal, supported by the Senior Leadership Team. The Principal 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 Principal is an ex-officio governor, Principal Accounting Officer and attends all Governing Body meetings. Head of School, 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 School is exposed.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

Through the risk management processes in place at the School, 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.

Connected organisations, including related party relationships

The Principal 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, Central Bedfordshire Council and School Direct 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 schools.

The Governors annually review these partnerships with these partner institutions.

OBJECTIVES AND ACTIVITIES

Objects and aims

The School'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.

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.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ◆ 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 School'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.

STRATEGIC REPORT

Achievements and performance

Review of activities

It is now seven years since the 2008 Ofsted inspection when Redborne was first judged to be an outstanding school. In the intervening years, Redborne has maintained a focus on using data to monitor, track and support individual students, key classes and whole departments to drive improvements at both GCSE and A level. The government policy of not routinely inspecting schools that are outstanding has been a mixed blessing. As the years have passed the school staff have been regularly trying to guess when the next inspection would be announced. The Governors recognise that this uncertainty has increased staff stress levels as the interval between inspections was extended beyond the standard 5 year cycle. The Governors wish to record their thanks and appreciation to all Redborne staff for their work over this period.

The Governors are very pleased with the achievement and progress made in 2014-15. The 2015 Ofsted report was very positive and the school achieved the best ever GCSE results on the new threshold measure. A very high standard of performance at A level was maintained. Students' achievement and progress at Redborne continue to be excellent. However future comparisons may become more difficult, as the changes to examinations and performance tables announced by the Conservative Government will mean that there will be significant year on year changes between now and the end of the current parliament.

- ◆ The last full Ofsted inspection in 2008 reported that Redborne met the criteria for 'outstanding' achievement and standards. The section 8 inspection in May 2015 suggested that there were no causes for concern that would justify changing that rating.
- ◆ Results in 2015 at both KS4 and A level were both excellent and on some measures were the best ever.
- ◆ Results at KS4 have remained extremely good – while rule changes make year on year comparisons difficult, the highest ever performance on the English and maths measure occurred this year.
- ◆ Value added figures, both for the whole school and for sub groups, are consistently very strong. Sixth form achievement remains very high.
- ◆ 54% of entries at A level were graded at A*-B, a figure that compares favourably with many private and selective schools. The percentage of entries at A* was a new record in 2014 and was again close to this figure in 2015.
- ◆ Redborne students perform exceptionally well against the 'added value' measure with the overwhelming majority of students being above the national expectation line.
- ◆ Gifted and talented students are well catered for – our top-performing students at GCSE score large numbers of A* grades and we have achieved some excellent results through the EPQ in both year 9 and year 13.
- ◆ In the last two years twelve students successfully obtained Oxbridge places. In addition, four further students obtained places on medical and veterinary courses.

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School 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 year amounted to an increase of £93,250 (2014 - £2,253,684).

The majority of the Academy's funding was provided by the Educational Funding Agency (EFA). The Academy's total incoming resources for the year ended 31 August 2015 amounted to £9,559,281 (2014 - £11,763,466). Funds received in the current year included £7,720,385 (2014 - £7,650,153) related to EFA revenue grants and £704,140 (2014 - £2,193,554) of capital grants. Resources expended for the period totalled £9,383,031 (2014 - £9,040,782). In addition there was an actuarial loss on the defined benefit pension scheme of £83,000 (2014 - £469,000).

The Academy held fund balances of £14,399,444 (2014 - £14,306,194) at 31 August 2015 which includes unrestricted funds of £804,581 (2014 - £1,380,495), whilst the remainder of the funds are restricted.

The results for the year are shown on page 26.

Financial and risk management objectives and policies

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

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

The principal risks and uncertainties facing the School 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;

STRATEGIC REPORT (continued)

Financial review (continued)

Financial and risk management objectives and policies (continued)

- ◆ a reduction in the real terms value of national funding for secondary education
- ◆ 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 School 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.

Reserves policy

The governors have concluded that the minimum level of free reserves (total funds less the amount held in tangible fixed assets, restricted funds and designated funds) that the school should hold is £200,000. In exceptional circumstances the governors may suspend this policy for a fixed period of time. 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. The Academy's current level of free reserves is £804,581 (2014 - £571,495) which is in line with this policy in view of the ongoing capital projects.

At 31 August 2015 the restricted EFA fund was a deficit of £1,474,667 (2014 – deficit of £1,226,895). Of this balance, £1,494,000 relates to the School's share of the Local Government Pension Scheme (LGPS). Any cash outflows as a result of this deficit will occur over a long time period. The position is supported by the Parliamentary Minute that provides for a guarantee by the Department for Education to meet any outstanding LGPS liabilities in the event of an Academy closure. The guarantee came into force on 18 July 2013.

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 £200,000 and £300,000 is likely to be maintained.
2. Identify funds surplus to immediate cash requirements and transfer to the School'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 of maintaining the School'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 Principal 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 School are central to our strategy. We have a planned programme of maintenance and investment. In the period end work was completed to replace a number of flat roofs and windows around the School which will ensure continued lifespan for existing buildings over the next 30 years.

The Governors have agreed to a phased expansion of the school to accommodate 1650 students. Funding for this growth in the period 2013-15 has come from external agencies. We hope that we will be able to attract further funding from external agencies to allow for further capital investment to accommodate this planned expansion.

In particular we would like to proceed with the approved plans for phase 2 of the new school hall to be completed in the summer of 2015, In later years it is hoped that funds will be available to build on to the new hall by creating 6 new classrooms and a large social area for sixth students. The Governors will also consider options for further development of the school farm.

Environmental issues are also high priority and we continue to develop our buildings to ensure they are more energy efficient. The new hall has solar panels and feeds-in electricity into the national grid. Each year we invest heavily in computer equipment and infrastructure, to ensure our students and school staff have the very best technology we can provide.

Governors' report Year ended 31 August 2015

AUDITOR

In so far as the governors are aware:

- ◆ there is no relevant audit information of which the School'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.

Governors' report, incorporating a strategic report, approved by order of the members of the Governing Body and signed on its behalf by:



R A' Court
Chairman

Date: 9 Dec 2015

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that 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 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 School and the Secretary of State for Education. The Principal 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 three 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	3
Mrs A Brown	2	3
Mr T Corkett	1	3
Dr R A'Court	2	3
Mr N Croft	3	3
Mr A Day	3	3
Mr T Eager	2	3
Mr B Farbon	2	3
Mr D Farbon	1	3
Professor J Harris	—	3
Mrs L Harrison	3	3
Mr R Last	3	3
Mr R Mintern	—	3
Professor J Morris	3	3
Mr G Pereira	3	3
Mrs P Rumble	3	3
Mrs S Salisbury	1	1
Mr C Templeman	1	3
Mr D Thompson	3	3
Mrs J Tucker	2	3

Governance (continued)

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

Attendance at meetings in the period was as follows:

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

Governance reviews

The trust did not conduct a review of governance in 2014-15 but intends to conduct its next self-evaluation and review of governance by June 2016, for inclusion in the Governors report for the year ended 31 August 2016.

Review of value for Money

As accounting officer, the Principal, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use on benchmarking data where available. The accounting officer for the academy trust has delivered and improved value for money during the year by:

- ◆ Reviewing why and how an activity is carried out by examining them for effectiveness, efficiency and cost. The School has a strong tradition of self-review of systems and contracts.
- ◆ Comparing performance, both inside the school and between similar schools, using local, LEA and Government data on student performance
- ◆ Consulting widely on a range of issues with stakeholders especially students and parents on the quality and suitability of the services provided, e.g. consultation on healthy eating policy and on school structures.
- ◆ Competitively seek the best value in terms of suitability, efficiency and cost of goods and services purchased using tendering processes. In practice this includes an assessment of the reliability and effectiveness of contractors and suppliers.

Review of value for Money (continued)

The school monitors best value principles by requiring the School Managers to provide feedback on

- ◆ Benchmarking against similar institutions
- ◆ Annual budget planning and annual financial review
- ◆ Periodic financial review by the Business Manager
- ◆ Analysis of pupil performance data and the efficiency of the curriculum provision and the construction of the timetable by the Senior Management Team

Measurable outcomes will include

- ◆ Annual outturn budget
- ◆ Examination results
- ◆ Student recruitment to the school, the sixth form and individual courses
- ◆ Annual review of planning objectives of the Development plan

Relevant documentation will include

- ◆ OFSTED Inspection Reports
- ◆ School self-evaluation form – (SEF)
- ◆ Reports of meetings of Governors Sub committees
- ◆ Report of meetings of the Full Governing Body meetings
- ◆ Annual report to parents
- ◆ School Development Plan

In 2014-15 the school has many examples of how it has improved their use of resources to deliver better value for money in the trust during the year. Examples of best practice included competitive tendering processes for the following projects

- ◆ seating and lighting systems in the new Connolly Hall,
- ◆ the purchase of new computers to be used by students and staff
- ◆ a review of the central purchasing of catering supplies through bulk buying consortiums

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 School'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 School for the year ended 31 August 2015 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 School 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 School's significant risks that has been in place for the year ended 31 August 2015 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 School'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;
- ◆ 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 G Pereira, 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 termly 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 Principal 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 School who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance Sub-committee of the implications of his review of the system of internal control and a plan to 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



Mr N Croft
Principal and Accounting Officer

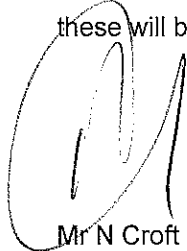
Approved on: 9 Dec 2015

Statement on regularity, propriety and compliance 31 August 2015

As Accounting Officer of Redborne Upper School and Community College, I have considered my responsibility to notify the School's 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 School 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 School's Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.



Mr N Croft
Principal and Accounting Officer

Date: 9 Dec 2015

Statement of governors' responsibilities 31 August 2015

The governors (who act as trustees for the charitable activities of the School and are also the directors of the School 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

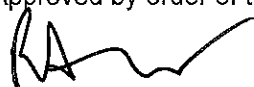
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting 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 School will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School 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 School 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 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 School'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 Governing Body and signed on its behalf by:



R A'Court
Chairman

Date: 9 Dec 2015

Independent auditor's report on the financial statements 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 year ended 31 August 2015 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the School'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 School'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 School and the School'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 School for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the governors' report, including the strategic 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 school'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 including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report on financial statements 31 August 2015

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the School's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year 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 Academies Accounts Direction 2014 to 2015 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 including the strategic report for the financial year 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, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16/12/15

Independent reporting accountant'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 4 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Redborne Upper School and Community College during the period from 1 September 2014 to 31 August 2015 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 Redborne Upper School and Community College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Redborne Upper School and Community College 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 Redborne Upper School and Community College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Redborne Upper School and Community College's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Redborne Upper School and Community College's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 to 2015. 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 from 1 September 2014 to 31 August 2015 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 2014 to 2015 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.

Independent reporting accountant's report on regularity 31 August 2015

Approach (continued)

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 School's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 period from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bernard W

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: *16/12/15*

Statement of financial activities Year ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Un- restricted funds £	Restricted funds		Fixed assets fund £	2015 Total funds £	2014 Total funds £
			EFA £	Other £			
Incoming resources							
Incoming resources from generated funds							
. Voluntary income	2	4,660	—	2,192	—	6,852	713,150
. Activities for generating funds	3	670,510	—	103,678	—	774,188	853,512
. Investment income	4	17,137	—	396	—	17,533	8,645
Incoming resources from charitable activities							
. Funding for the academy's educational operations	5	—	7,720,385	356,183	704,140	8,760,708	10,188,159
Total incoming resources		<u>692,307</u>	<u>7,720,385</u>	<u>442,449</u>	<u>704,140</u>	9,559,281	<u>11,763,466</u>
Resources expended							
Charitable activities							
. Academy's educational operations	7	496,666	7,891,527	466,590	511,257	9,366,040	9,025,519
Governance costs	8	—	16,991	—	—	16,991	15,263
Total resources expended	6	<u>496,666</u>	<u>7,908,518</u>	<u>466,590</u>	<u>511,257</u>	9,383,031	<u>9,040,782</u>
Net incoming (outgoing) resources for the year before transfers							
		195,641	(188,133)	(24,141)	192,883	176,250	2,722,684
Transfers between funds		<u>(771,555)</u>	<u>23,361</u>	<u>—</u>	<u>748,194</u>	<u>—</u>	<u>—</u>
Net income (expenditure) for the period							
		<u>(575,914)</u>	<u>(164,772)</u>	<u>(24,141)</u>	<u>941,077</u>	176,250	2,722,684
Other recognised gains and losses							
Actuarial losses on defined benefit pension scheme	22	—	(83,000)	—	—	(83,000)	(469,000)
Net movement in funds		<u>(575,914)</u>	<u>(247,772)</u>	<u>(24,141)</u>	<u>941,077</u>	93,250	2,253,684
Reconciliation of funds							
Fund balances brought forward at 1 September 2014		<u>1,380,495</u>	<u>(1,226,895)</u>	<u>92,800</u>	<u>14,059,794</u>	14,306,194	12,052,510
Fund balances carried forward at 31 August 2015		<u>804,581</u>	<u>(1,474,667)</u>	<u>68,659</u>	<u>15,000,871</u>	14,399,444	14,306,194

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

Balance sheet 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	12		15,000,871		12,791,705
Current assets					
Debtors	13	332,353		250,301	
Cash at bank and in hand		828,461		2,858,785	
		1,160,814		3,109,086	
Creditors: amounts falling due within one year	14	(268,241)		(286,597)	
Net current assets			892,573		2,822,489
Total assets less current liabilities			15,893,444		15,614,194
Pension scheme liability	22		(1,494,000)		(1,308,000)
Net assets including pension scheme liability			14,399,444		14,306,194
Funds of the School					
Restricted funds					
. Fixed assets fund	15		15,000,871		14,059,794
. EFA fund	15		19,333		81,105
. Pension reserve	15		(1,494,000)		(1,308,000)
. Other funds	15		68,659		92,800
			13,594,863		12,925,699
Unrestricted funds					
. General fund	15		804,581		571,495
. Designated fund	15		—		809,000
			804,581		1,380,495
Total funds			14,399,444		14,306,194

The financial statements on page 26 to 48 were approved by the Governors, and authorised for issue on *9 Dec* 2015 and are signed on their behalf by:

Chairman



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

Cash flow statement Year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash (outflow) inflow from operating activities	17	(175,845)	788,275
Returns on investment and servicing of finance	18	17,533	8,645
Capital expenditure	19	(1,872,012)	1,265,731
(Decrease) increase in cash in the year		(2,030,324)	2,062,651
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2014		2,858,785	796,134
Net funds at 31 August 2015		828,461	2,858,785

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 2014 to 2015 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.

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 School 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.

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.

Incoming Resources (continued)

Gifts in kind

The value of gifts in kind provided to the School 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 School 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.

Charitable activities

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

Governance Costs

These include the costs attributable to the School'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.

Tangible Fixed Assets (continued)

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.

Leased assets

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

Taxation

The School 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 School 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 School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the School.

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 School 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 22, the TPS is a multi employer scheme and the School 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 School 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 School 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.

Designated funds comprise amounts set aside to fund future capital projects.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

Notes to the Financial Statements Year ended 31 August 2015

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the School was subject to limits at 31 August 2015 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.

The School has not exceeded these limits during the year ended 31 August 2015.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Other donations	4,660	2,192	6,852	713,150

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Hire of facilities	126,121	6,450	132,571	140,041
Trip income	206,542	—	206,542	273,924
Catering income	127,745	—	127,745	139,300
Miscellaneous income	173,278	97,228	278,316	244,452
Consultancy services	36,824	—	36,824	55,795
	670,510	103,678	774,188	853,512

4 Investment income

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Interest receivable	17,137	396	17,533	8,645

5 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Capital grants				
. Capital funding – EFA devolved formula	—	32,153	32,153	28,739
. Capital funding – EFA Capital maintenance grant	—	111,956	111,956	216,955
. Capital funding – 16-19 demographic growth grant	—	560,031	560,031	1,947,860
	—	704,140	704,140	2,193,554
DfE / EFA revenue grant				
. General Annual Grant (GAG)	—	7,599,888	7,599,888	7,559,887
. Other EFA grants	—	101,164	101,164	72,430
. Other DfE / EFA – PE Teachers grant	—	120,497	120,497	17,836
	—	7,720,385	7,720,385	7,650,153
Other government grants				
. Local authority grants – RSP grants	—	23,800	23,800	52,846
. Local authority grants – various other	—	2,575	2,575	7,773
. Local authority grants – secondment grants	—	—	—	4,874
. Local authority grants – Pupil Focus grants	—	63,408	63,408	82,705
. School Direct	—	39,340	39,340	60,380
. Special educational projects	—	188,744	188,744	126,874
. Bikeability	—	18,316	18,316	9,000
	—	336,183	336,183	344,452
	—	8,760,708	8,760,708	10,188,159

Notes to the Financial Statements Year ended 31 August 2015

6 Resources expended

	Staff costs £	Non pay expenditure		2015 Total funds £	2014 Total funds £
		Premises £	Other costs £		
Charitable activities					
. School's educational operations					
.. Direct costs	5,823,593	—	848,217	6,671,810	6,436,193
.. Allocated support costs	1,052,274	632,362	1,009,594	2,694,230	2,589,326
	<u>6,875,867</u>	<u>632,362</u>	<u>1,857,811</u>	9,366,040	9,025,519
Governance costs	—	—	16,991	16,991	15,263
	<u>6,875,867</u>	<u>632,362</u>	<u>1,874,802</u>	9,383,031	9,040,782

	2015 £	2014 £
Net incoming resources for the year includes:		
Operating leases	30,845	29,311
Fees payable to auditor		
. Statutory audit	9,600	9,400
. Non statutory audit	3,375	3,300
. Other non-audit services – current year	2,925	2,550
. Other non-audit services – prior year	1,050	—

Notes to the Financial Statements Year ended 31 August 2015

7 Charitable activities - academy's educational operations

	2015 Total funds £	2014 Total funds £
Direct costs		
Teaching and educational support staff costs	5,823,593	5,716,398
Educational supplies	513,261	389,544
Examination fees	226,141	207,687
Staff development	44,275	49,059
Consultancy services	7,497	6,664
Other direct costs	57,043	66,841
	<u>6,671,810</u>	<u>6,436,193</u>
Allocated support costs		
Support staff costs	1,052,274	964,632
Depreciation	366,986	309,278
Recruitment and support	73,317	72,702
Maintenance of premises and equipment	431,160	385,747
Cleaning	145,960	121,200
Rent and rates	55,241	37,075
Insurance	61,799	72,285
Security and transport	273,528	329,181
Catering	78,258	87,294
Bank interest and charges	1,028	780
Other support costs	154,679	209,152
	<u>2,694,230</u>	<u>2,589,326</u>
	<u>9,366,040</u>	<u>9,025,519</u>

8 Governance costs

	2015 Total funds £	2014 Total funds £
Legal and professional fees	41	13
Auditor's remuneration:		
. Audit of financial statements	9,600	9,400
. Other audits	3,375	3,300
. Other non-audit services	3,975	2,550
	<u>16,991</u>	<u>15,263</u>

9 Staff

a) Staff costs

Staff costs during the year were:

	2015 Total funds £	2014 Total funds £
Wages and salaries	5,559,218	5,423,202
Social security costs	426,344	415,173
Pension costs	755,111	735,893
	6,740,673	6,574,268
Supply teacher costs	46,283	54,389
Staff restructuring	3,911	6,373
FRS17 charge	85,000	46,000
	6,875,867	6,681,030

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,911 (2014 – £6,373). This amount relates to a single payment.

c) Staff numbers

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

Charitable activities	2015 No.	2014 No.
Teachers	97	96
Administration and support	62	59
Management	8	8
	167	163

d) Higher paid staff

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

	2015 No	2014 No
£60,001 - £70,000	1	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	—
£140,001 - £150,000	1	1

Four of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension scheme (LGPS).

10 Governors' remuneration and expenses

The Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the school in respect of their role as governors. The value of governors' remuneration and other benefits in the year ended 31 August 2015 was as follows:

	2015 £'000	2014 £'000
N Croft ,Principal		
. Remuneration	145-150	145-150
. Employer's pension contributions	20-25	20-25
A Day, staff governor and trustee		
. Remuneration	50-55	50-55
. Employer's pension contributions	5-10	5-10
T Eager, staff governor and trustee		
. Remuneration	50-55	50-55
. Employer's pension contributions	—	—
L Harrison, staff governor and trustee		
. Remuneration	20-25	20-25
. Employer's pension contributions	0-5	0-5

No travel and subsistence expenses were reimbursed to governors during the year ended 31 August 2015 (2014 - £nil).

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 School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,101 (2014 - £1,622).

Notes to the Financial Statements Year ended 31 August 2015

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total funds £
Cost/valuation			
At 1 September 2014	13,299,840	399,891	13,699,731
Additions	2,290,000	286,152	2,576,152
At 31 August 2015	<u>15,589,840</u>	<u>686,043</u>	<u>16,275,883</u>
Depreciation			
At 1 September 2014	805,953	102,073	908,026
Charge in period	272,227	94,759	366,986
At 31 August 2015	<u>1,078,180</u>	<u>196,832</u>	<u>1,275,012</u>
Net book value			
At 31 August 2015	14,511,660	489,211	15,000,871
At 31 August 2014	<u>12,493,887</u>	<u>297,818</u>	<u>12,791,705</u>

The leasehold land and buildings value above relates to the School 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 School buildings only, which are included at a depreciated replacement cost valuation.

The fixed asset fund also includes £nil (2014 - £1,268,089) of unspent capital grants held as cash at the year end.

13 Debtors

	2015 £	2014 £
Trade debtors	17,010	19,476
Prepayments	55,191	45,235
VAT Debtor	238,322	184,709
Other debtors and accrued income	21,830	881
	<u>332,353</u>	<u>250,301</u>

Notes to the Financial Statements Year ended 31 August 2015

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	124,988	121,746
Other creditors	49,108	127,382
Accruals and deferred income	86,930	37,469
Other creditors	7,215	—
	<u>268,241</u>	<u>286,597</u>
Deferred income		
Balance at 1 September 2014	10,515	47,260
Deferred income released in the year	(10,515)	(47,260)
Resources deferred in the year	22,916	10,515
Deferred income at 31 August 2015	<u>22,916</u>	<u>10,515</u>

Deferred income amounting to £22,916 (2014 - £10,515) relates to deposits received from students for a trip which will take place in 2015/16.

Notes to the Financial Statements Year ended 31 August 2015

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
EFA revenue grant fund					
. General Annual Grant (GAG)	81,105	7,599,888	(7,704,354)	23,361	—
. Pupil premium	—	120,497	(101,164)	—	19,333
	81,105	7,720,385	(7,805,518)	23,361	19,333
. Pension reserve	(1,308,000)	—	(103,000)	(83,000)	(1,494,000)
	(1,226,895)	7,720,385	(7,908,518)	(59,639)	(1,474,667)
Fixed assets fund					
. EFA capital grants	41,224	32,153	(32,419)	(28,453)	12,505
. Capital grants for 3G Pitch	568,884	—	(11,489)	—	557,395
. Phase 2 DT Block	1,204,854	—	(43,080)	—	1,161,774
. Capital Maintenance grant	—	111,956	(111,956)	—	—
. Capital grants from EFA – 16-19 demographic growth grant	401,135	21,112	(162)	28,453	450,538
. Capital grants from Local Authority – 16-19 demographic growth grant	1,648,900	538,919	(42,273)	700,000	2,845,546
. GAG	204,514	—	(55,417)	48,194	197,291
. School building and furniture and equipment transferred from Local Authority	9,990,283	—	(214,461)	—	9,775,822
	14,059,794	704,140	(511,257)	748,194	15,000,871
Other funds					
. Local Authority grants - SEN	—	188,744	(188,744)	—	—
. Local Authority grants - various	—	2,575	(2,575)	—	—
. Redbourne Sports Partnership	53,553	123,219	(152,200)	—	24,572
. Local Authority grants - Pupil Focus GTP grant	—	63,408	(63,408)	—	—
. Bikeability	—	18,316	(18,316)	—	—
. Schools Direct	—	39,340	(39,340)	—	—
. Tennis and Community Sports Partnership	39,247	6,847	(2,007)	—	44,087
	92,800	442,449	(466,590)	—	68,659
Total restricted funds	12,925,699	8,866,974	(8,886,365)	688,555	13,594,863
Unrestricted funds					
. Unrestricted general fund	571,495	692,307	(387,666)	(71,555)	804,581
. Designated fund	809,000	—	(109,000)	(700,000)	—
Total unrestricted funds	1,380,495	692,307	(496,666)	(771,555)	804,581
Total funds	14,306,194	9,599,281	(9,383,031)	(83,000)	14,399,444

Notes to the Financial Statements Year ended 31 August 2015

15 Funds (continued)

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

EFA revenue grant

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

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the School was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 1 discloses whether the limit was exceeded.

Fixed assets fund

This fund represents the tangible fixed assets of the School including unspent grants received to fund 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 School's share of the Local Government Pension Scheme.

Designated fund

The designated fund represents money set aside to fund future capital projects.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2015 £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	—	—	15,000,871	15,000,871
Current assets	804,581	356,233	—	1,160,814
Current liabilities	—	(268,241)	—	(268,241)
Pension scheme liability	—	(1,494,000)	—	(1,494,000)
Total net assets	804,581	(1,406,008)	15,000,871	14,399,444

Notes to the Financial Statements Year ended 31 August 2015

17 Reconciliation of net income to net cash (outflow) inflow from operating activities

	2015 £	2014 £
Net income	176,250	2,722,684
Depreciation (note 12)	366,986	309,278
Capital grants from DfE and other capital income	(704,140)	(2,193,554)
Interest receivable (note 4)	(17,533)	(8,645)
FRS 17 pension cost less contributions payable (note 22)	85,000	46,000
FRS 17 pension finance income (note 22)	18,000	17,000
(Increase) decrease in debtors	(82,052)	15,036
Decrease in creditors	(18,356)	(119,524)
Net cash (outflow) inflow from operating activities	(175,845)	788,275

18 Returns on investment and servicing of finance

	2015 £	2014 £
Interest received	17,533	8,645
Net cash inflow from returns on investment and servicing of finance	17,533	8,645

19 Capital expenditure and financial investment

	2015 £	2014 £
Capital grants from DfE / EFA	704,140	2,193,554
Purchase of tangible fixed assets	(2,576,152)	(927,823)
Net cash (outflow) inflow from capital expenditure and financial investments	(1,872,012)	1,265,731

20 Analysis of changes in net funds

	At 1 September 2014 £	Cashflows £	At 31 August 2015 £
Cash in hand and at bank	2,858,785	(2,030,324)	828,461

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 School'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.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding contributions at 31 August 2015 (2014 - £nil).

Teachers' Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The Teachers' Pensions Regulations require an annual 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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £560,000 (2014: £563,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme (LGPS) is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £263,000, of which employer's contributions totalled £195,000 and employees' contributions totalled £68,000. The agreed contribution rates for future years are 16.3 per cent for employers and 5.5-12.5 per cent 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.

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.5%	3.4%
Rate of increase for pensions in payment / inflation	2.6%	2.6%
Discount rate for scheme liabilities	3.7%	3.7%
Inflation assumption (CPI)	2.6%	2.6%
Commutation of pensions to lump sums	50%	50%

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 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.4	24.4
Females	26.8	26.8

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

	Fair value at 31 August 2015 £	Expected return at 31 August 2014*	Fair value at 31 August 2014 £
Equities	1,334,000	6.3%	1,192,000
Bonds	358,000	3.3%	328,000
Property	219,000	4.5%	156,000
Cash	80,000	3.3%	52,000
Total market value of assets	1,991,000		1,728,000
Present value of scheme liabilities	(3,485,000)		(3,036,000)
Deficit in the scheme	(1,494,000)		(1,308,000)

* No long term expected rate of return at 31 August 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected rate of return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.7%.

The actual return on scheme assets was £41,000 (2014 – loss of £98,000).

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in statement of financial activities	2015 £	2014 £
Current service costs	280,000	219,000
Total operating charge	280,000	219,000
Analysis of pension finance costs		
Expected return on pension scheme assets	(100,000)	(90,000)
Interest on pension liabilities	118,000	107,000
Pension finance costs	18,000	17,000

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 £774,000 (2014 - £691,000).

Movements in the overall deficit were as follows:	2015 £	2014 £
Deficit at 1 September 2014	(1,308,000)	(776,000)
Current service cost	(280,000)	(219,000)
Employer contributions	195,000	173,000
Net finance interest	(18,000)	(17,000)
Actuarial losses	(83,000)	(469,000)
At 31 August 2015	(1,494,000)	(1,308,000)

Movements in the present value of defined benefit obligations were as follows:	2015 £	2014 £
Deficit at 1 September 2014	3,036,000	2,217,000
Current service costs	280,000	219,000
Interest costs	118,000	107,000
Employee contributions	68,000	62,000
Actuarial losses	24,000	477,000
Estimated benefits paid	(41,000)	(46,000)
At 31 August 2015	3,485,000	3,036,000

Movements in the fair value of School's share of scheme assets:	2015 £	2014 £
At 1 September 2014	1,728,000	1,441,000
Expected return on assets	100,000	90,000
Actuarial (losses) gains	(59,000)	8,000
Employer contributions	195,000	173,000
Employee contributions	68,000	62,000
Estimated benefits paid	(41,000)	(46,000)
At 31 August 2015	1,991,000	1,728,000

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of the employer contributions for the year ending 31 August 2016 is £196,000.

The experience adjustments are as follows:

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(3,485,000)	(3,036,000)	(2,217,000)	(1,886,000)
Fair value of share scheme assets	1,991,000	1,728,000	1,441,000	1,108,000
Deficit on the scheme	(1,494,000)	(1,308,000)	(776,000)	(778,000)
Experience adjustments on share of scheme assets				
Amount	(59,000)	8,000	67,000	(54,000)
Experience adjustments on scheme liabilities				
Amount	4,000	(264,000)	—	—

23 Related party transactions

Owing to the nature of the School'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 School's financial regulations and normal procurement procedures.

During the year, the School incurred expenses on behalf of and provided services to The Academy of Central Bedfordshire amounting to £nil (2014 - £67,029). The School received income from The Academy of Central Bedfordshire amounting to £350 (2014 - £nil). The School received services from The Academy of Central Bedfordshire amounting to £34,535. At 31 August 2015 £nil (2014 - £nil) was due from The Academy of Central Bedfordshire to the School. The Academy of Central Bedfordshire is a related party as the school's Principal is a director of both academies. All transactions with The Academy of Central Bedfordshire were made on an arm's length basis and were in accordance with the School's financial regulations.

Notes to the Financial Statements Year ended 31 August 2015

24 Lease commitments

At 31 August 2015, the school had annual commitments under non-cancellable operating leases, as follows:

	2015 £	2014 £
Operating leases on equipment which expire		
. Within one year	310	10,383
. Within two to five years	10,455	11,084

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £17,940 and disbursed £10,725 from the fund. An amount of £7,215 is included in other creditors relating to undistributed funds that is repayable to EFA.