

**Redborne Upper School
and Community
College**

**Annual Report and Financial
Statements**

31 August 2018

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

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	19
Statement on Regularity, propriety and compliance	24
Statement of governors' responsibilities	25
Independent auditor's report on financial statements	26
Independent reporting accountant's report on regularity	29

Financial statements

Statement of financial activities incorporating income & expenditure account	31
Balance sheet	32
Statement of cash flows	33
Principal accounting policies	34
Notes to the financial statements	40

Reference and administrative information

Members and Governors

Dr. R. A'Court* (Chairman)
Mr. B. Farbon* (Vice-Chairman)
Mr. C. Birtwisle
Mr. T. Corkett
Mrs C. Crowther (Staff Governor)
Mr. A. Day (Staff Governor)
Mr. D. Farbon*
Ms. J. Galvin
Mr. S. Gray (Acting Headteacher and Accounting Officer)* **
Mr. R. Last
Mr. R. Mintern*
Professor. J. Morris*
Mrs. D. Nunn (Staff Governor)
Mr. G. Pereira*
Mrs. E. Tebbutt
Mr. C. Templeman
Mrs. J. Tucker
Ms. B. Woodward

*members of the Finance Committee

**from 1/1/2018

Company Secretary

A French

Senior Leadership Team

Principal [§]	N Croft
Head of School*	S Gray
Deputy Head	A Day
Deputy Head	A French
Deputy Head	A Williets
Assistant Headteacher	N Brennan
Assistant Headteacher	C Graves
Assistant Headteacher	D McGuigan
Assistant Headteacher	V Parry
Assistant Headteacher	J Trapp
Assistant Headteacher	R Woodward

*Acting Headteacher from 1/1/2018

[§]until 31/12/2017

Reference and administrative information

Registered address	Flitwick Road Amphill Bedfordshire MK45 2NU
Company registration number	07566436 (England and Wales)
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 2018

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 2018. 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 34 to 39 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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 converted to an Academy Trust 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 £1,070 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 Acting Headteacher 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 Acting 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.
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 Acting Headteacher 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 a 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 2018 and served throughout the year except where shown.

Governor	Appointed/Resigned	Appointing body
Mr C Birtwisle		Members of the Academy Trust
Mr T Corkett		Parent body
Dr R A'Court (Chairman)		Parent body
Mr N Croft (Principal) §	Resigned 31 December 2017	Ex officio
Mrs C Crowther	Appointed May 2018	The School's staff
Mr A Day		The School's staff
Mr B Farbon		Members of the Academy Trust
Mr D Farbon		Members of the Academy Trust
Mr C Flynn	Resigned April 2018	The School's staff
Mrs J Galvin		Parent body
Mr S Gray (Acting Headteacher)*	Appointed 1 January 2018	Ex officio
Mr R Last		Members of the Academy Trust
Mr R Mintern		Parent body
Professor J Morris		Members of the Academy Trust
Mrs D Nunn		The School's staff
Mr G Pereira		Members of the Academy Trust
Mrs E Tebbutt		Parent body
Mr C Templeman		Parent body
Mrs J Tucker		Members of the Academy Trust
Mrs E Woodward		Parent body

*from 1/1/2018

§until 31/12/2017

Method of recruitment and appointment or election of governors

The Governing Body normally comprises of 7 parent governors, 10 community governors, 3 staff governors and the Acting Headteacher. There were 3 vacancies for community governors at the time these financial statements were approved. The parent governors are elected by the parent body of the School. The staff governors are elected by the School's staff. The 10 community governors are appointed by the members of the Academy Trust. Community governors may be reappointed 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 coordinates 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 Acting Headteacher, supported by the Senior Leadership Team. The Acting 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 Acting Headteacher is an ex-officio governor, and Accounting Officer, and attends all Governing Body meetings. Deputy Headteachers, the Assistant Headteachers and the Business Manager are invited to attend governors' meetings as appropriate.

As noted in various staff/governor lists, during the 2017/18 academic year the Principal, Nigel Croft, left the School on 31 December 2017 to be replaced on 1 January 2018 by Steve Gray as Acting Headteacher. In October 2018 a new Headteacher was appointed and is due to take up the role on 1 September 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

A special sub committee of the Board of Governors meets in the first term of the school year to review the performance of senior staff against previously agreed targets. This committee makes recommendation about the level of remuneration for the year.

Trade union facility time

None of the Academy Trust's employees were union officials and there were no other costs incurred by the Academy Trust in relation to Trade Union Facility Time during 2017/18.

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 ESFA's Academy Financial Handbook.

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 former 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 AND ACTIVITIES (continued)

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.

At Redborne Upper School and Community College we aim for:

- ◆ **Academic excellence**, by providing a broad, balanced, stimulating and flexible curriculum that centres on the needs and engagement of the individual student, placing teaching and learning at the heart of our professional development programme, recruiting and retaining high-quality staff and maintaining a sharp focus on monitoring progress.
- ◆ **Shared values** such as tolerance, caring for others, democracy, self-discipline, independence and mutual respect to foster the spiritual, emotional, moral, social and cultural development of students both as individuals and as citizens in society.
- ◆ **Outstanding education** in its broadest sense, through a vibrant programme of curricular, pastoral and extra-curricular activities, to prepare students for a positive and confident approach to the next stage of their education, training or employment and for adult life.

The three sub-headings within these aims make up our 'strapline' that appears on school documents and is publicised and promoted around the school.

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.

ACHIEVEMENT AND PROGRESS 2017 - 2018

In the end we didn't quite make it to a decade as an *outstanding* school. The Ofsted report is of course hugely complimentary about many aspects of the School's work, but in the end, the decline in progress 8 brought us to the attention of the inspectorate and there was always a view that if there was an inspection, they would be predisposed to reduce the grade from outstanding to good (because otherwise they would leave us alone). Thus it proved, and in the end it was the data that was the unanswerable issue – student progress overall at KS4, and in Maths and English in particular, was *good* but not outstanding. The lead inspector skilfully used our own self-evaluation of progress in these two subjects as the key 'evidence for the prosecution'.

We earned much praise for our principled stand on the curriculum although of course the irony was that if we had played the same kinds of games that others had done, it's possible that the Progress 8 figure might have been high enough to keep us 'off the radar'. On the other hand it has reduced the pressure of continually being on 'red alert' for the arrival of the inspectors and that increased certainty can only be a good thing.

Overall the report was in many ways better than in 2008 and the sixth form was actually upgraded from good to outstanding on the basis of consistently strong performance at A level. The distribution of sub-grades was very similar to 2008, albeit on a different framework – what had changed was the height of the bar. The 'best fit' judgement in 2008 had been replaced by an 'outstanding means perfect' mentality. And we know we aren't perfect.

The 'new' measures of Progress 8 and Attainment 8, new specifications and new grading systems have now lost some of their novelty. The vast majority of subjects are now being assessed in 'new money' and this will become 100% in the next year. One key reason why we achieved an outstanding grade for leadership and management was that we managed to stay true to our core beliefs about what makes a successful and comprehensive educational offer.

We wrote last year that we may be entering an era where a more balanced and nuanced approach to what constitutes 'quality' is starting to re-emerge with less of an obsession with league tables and performance measures as the only way of assessing the worth of a school. Certainly the latest pronouncements from Amanda Spielman and the draft framework for inspections from 2019 suggest that Ofsted has caught up again with our way of thinking and that we can therefore look forward to the future with optimism – it remains a realistic target to believe that the School might once again be graded as outstanding under the new framework.

We have said repeatedly that it is the process behind this document that remains crucial: having this level of analysis and evaluation embedded at subject level means that subject leaders, who have such a vital role in helping to drive improvement, are empowered to move things forward. As ever, we will also look honestly at those aspects of our practice which may not have gone so well, and take appropriate action to correct them.

ACHIEVEMENT AND PROGRESS 2017 – 2018 (continued)

As always, the statistics are only part of the story – academic excellence is part of the mix, but so too are those shared values that mean we support each other and support the students for whom we have responsibility. Outstanding education is about far more than just numbers.

In November 2017 we were inspected by Ofsted and received a rating of 'good'.

We believe that this judgement holds in 2018 because:

- ◆ At KS4, progress in Mathematics is improved on 2017 but English shows less progress
- ◆ Achievement in the sixth form is up on 2017 and on the methodology used previously, a combined course ALPS provider score of 2 still holds
- ◆ Achievement at KS4 is slightly down on 2017, but with a weaker cohort
- ◆ Progress at KS4 is positive
- ◆ While there have been improvements in some areas, there is still a gap between the progress and achievement of disadvantaged students compared with non-disadvantaged students.

Attainment

- ◆ Attainment 8 score of 48.7 is above national figure of 44.6
- ◆ English/Maths figures at both grade 4 (73%) and grade 5 (52%) are well above comparable national figures (64% and 43% respectively)
- ◆ Figures at 5+ were improved on 2017, despite the cohort having lower prior attainment.
- ◆ Ebacc APS of 4.22 was up on 2017 and well above national figure of 3.87
- ◆ Five students (out of only 732 in the whole country) achieved 7 passes at grade 9.
- ◆ APS was well above national figures in Maths, French, Geography, History, Business Studies, Textiles, Dance, Food Technology, Hospitality and Catering, Music and Religious Studies.
- ◆ Maths results were much improved on 2017, with both 4+ and 5+ at +12% against national.
- ◆ In only two subjects was performance below national averages and one of these was Latin, where the national sample will be hugely skewed.
- ◆ 100% pass rate at A level
- ◆ APS at 32.6 at A level was slightly above national average and higher than in 2017.
- ◆ Average grade of C+ was joint highest in CBC.

ACHIEVEMENT AND PROGRESS 2017 – 2018 (continued)

General Progress and Students with SEN

- ◆ P8 score for 2018 was +0.04, significantly higher than in 2017. On an 'all subjects' measure, P8 rises to +0.06
- ◆ As measured against indicators, progress in 11 subjects was significantly above average and in 15 others progress was roughly in line with indicators
- ◆ Overall, progress for students with SEN was similar to students nationally, but this masked some significant variations in different categories
- ◆ Progress for students with SEN support in maths was much higher than similar students nationally and also higher than for all students. These students did less well in the 'open bucket' – this is only partially explained by the number of subjects chosen
- ◆ Students with EHCP did less well than similar students nationally in all categories. This may reflect the particularly acute needs of some of the students in Year 11 last year.

Student Progress in English and Mathematics

- ◆ In 2017, progress was better in English than in Maths
- ◆ In 2018, this pattern was reversed – progress in Maths was better than progress in English
- ◆ Progress in Maths was markedly up for students with middle PA at KS2 – this reflects our improved work with entering students for the correct tier
- ◆ In English, the performance of higher PA students showed a particularly sharp decline against 2017.

Progress across the Curriculum

- ◆ In 2018, performance was particularly strong in vocational subjects such as Agriculture, BTEC Music, Sport, and Child Development. French results were particularly impressive and there was also strong progress evident in Geography, Dance, Latin and Music
- ◆ The progress measure in humanities is particularly strong, especially for students of middle PA, reflecting our curriculum entry policy
- ◆ Languages VA remains positive, albeit down slightly on 2017.

Progress in the Sixth Form

- ◆ Retention rates from year 12 to year 13 are very high (88%) and three-year moving average has risen from 80% in 2012 to 89% in 2018
- ◆ ALPS overall provider score on previous methodology is once again at a grade 2.
- ◆ APS was up from 31.7 in 2017 to 32.6 in 2018
- ◆ VA figures are more modest in 2018, but this reflects the strong prior attainment of this cohort in 2016

ACHIEVEMENT AND PROGRESS 2017 – 2018 (continued)

- ◆ VA figures are strong in Creative Writing, Drama, French, Health and Social Care, Law, Maths, Further Maths
- ◆ Improved attainment in 2018 was evident in Chemistry, Classical Civilisation, Product Design, Government and Politics, Physics, Religious Studies and Spanish.

Progress of Disadvantaged Students

- ◆ Compared with other schools nationally, the percentage of disadvantaged students is lower – these relatively small cohorts may be significantly different from year to year and the performance of small numbers of students can have a large relative effect on percentage pass rates and averages
- ◆ Attainment of disadvantaged students in 2018 was lower than that of non-disadvantaged students, but higher than similar students nationally (A8 40.2 vs 36.9, En 8.6 vs 8.1, Ma 8.5 vs 7.5, EBacc 10.2 vs 9.5, Open 12.9 vs 12.4)
- ◆ The gap between the performance of disadvantaged and non-disadvantaged students is less than the gap nationally (A8 9.9 vs 12.9, En 1.7 vs 2.4, Ma 1.4 vs 2.7, EBacc 4.1 vs 4.2 Open 2.6 vs 3.2)
- ◆ Progress of disadvantaged students appears low, but in part this is because of our curriculum model – if an all-subjects calculation is used, the progress of disadvantaged students goes up by 0.14
- ◆ Progress of disadvantaged students in maths is better than progress of similar students nationally RPI = +0.21, and this gap is bigger than for non-disadvantaged students
- ◆ In English, the progress of disadvantaged students in 2018 was disappointing (RPI = -0.28)
- ◆ With inevitable caution about small sample sizes, disadvantaged students performed best in Chemistry, Physics, Maths, French, Agriculture, Child Development, Food/Hospitality and Music.

ACHIEVEMENT AND PROGRESS 2017 – 2018 (continued)

Whole school summary data 2014-2018

Indicator	2014	2015	2016	2017	2018
Number of students in KS4	332	352	362	382	374
Students achieving En and Ma at grade C/4 or above	67%	77%	83%	75%	73%
Students achieving En and Ma at grade 5 or above	*	*	*	50%	52%
% achieving English Baccalaureate	27	23	24	22	*
English Baccalaureate APS	*	*	*	4.08	4.22
Attainment 8 score per pupil ⁽¹⁾	*	52.3	55.2	49.2	48.7
Progress 8 score	*	+0.20	+0.11	-0.11	+0.04
Progress 8 – English component ⁽¹⁾	*	+0.28	+0.23	+0.13	-0.06
Progress 8 – maths component ⁽¹⁾	*	+0.33	+0.23	-0.02	+0.20
Progress 8 – science pillar ⁽¹⁾	*	*	+0.19	+0.06	+0.05
Progress 8 – languages pillar ⁽¹⁾	*	*	+0.51	+0.67	+0.22
Progress 8 – humanities pillar ⁽¹⁾	*	*	+0.41	+0.34	+0.37
Post-16					
Number of students at the end of advanced study	211	193	219	224	207
Average points score per subject at the end of advanced study – academic	*	*	33.6 (C+)	30.9 (C)	32.8 (C+)
APS for best three A levels	*	*	36.0 (B-)	35.2 (B-)	32.0 (C+)
APS for technical ⁽²⁾	*	*	50 (Di*)	45.7 (Di*-)	43.9 (Di*-)
APS for applied general ⁽²⁾	*	*	42.7 (Di*-)	31.9 (Di-)	34.8 (Di)

Notes: *Statistic not collected or calculated in this year.

(1) Points scores changed in 2017 and 2018, so direct comparisons with 2016 not applicable.

(2) Significant change in vocational qualifications between 2017 and 2018. Direct comparisons are not applicable.

FINANCIAL REVIEW

Financial report for the year

The net movement on funds for the year amounted to a decrease of £220,176 (2017 – increase of £1,054,996).

The majority of the School's funding was provided by the Educational and Skills Funding Agency (ESFA). The Academy's total income for the year ended 31 August 2018 amounted to £9,232,115 (2017 - £10,355,029). The fall in income is partly attributable to over £1m of capital funding received in 16/17 in relation to Phase 2 of the Connolly Hall – in 17/18 £109,297 was received towards this development. Funds received in the current year included £7,887,599 (2017 - £7,782,988) related to ESFA revenue grants and £33,627 (2017 - £93,143) of ESFA capital grants. The Academy also received capital grants of £109,297 from the Local Authority to fund Phase 2 of the Connolly Hall (2017 - £1,062,727). Expenditure for the period totalled £9,933,291 (2017 - £9,953,033). In addition there was an actuarial gain on the defined benefit pension scheme of £481,000 (2017 – gain of £653,000).

The School held fund balances of £13,697,859 (2017 - £13,918,035) at 31 August 2018 which includes unrestricted funds of £482,350 (2017 - £511,602), whilst the remainder of the funds are restricted.

The results for the year are shown on page 31.

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:

- ◆ Recruitment of students year on year into Years 9 and 12. The School has been over-subscribed for a number of years and as a result the number of students across the school has increased. This has helped to mitigate any pressures on costs by increasing funding. This level of recruitment will need to be maintained in order to be able to continue to do this.
- ◆ Natural risk – uncontrollable event e.g. fire. The School has annual inspection of fire alarms, emergency lighting and extinguishers. We undertake weekly testing of emergency lighting and alarms.
- ◆ Failure to comply with Health and Safety legislation resulting in an employee/student or visitor being injured or killed. The School has contracts with Bedford Borough Council for advice on health and safety and individuals are supported by access to Human Resource Management and Occupational Health.

FINANCIAL REVIEW (continued)

Financial and risk management objectives and policies (continued)

- ◆ Financial control risk resulting in serious budget deficit. The School Business manager provides regular updates of the financial outlook and the Responsible Officer conducts a termly inspection of the financial systems.
- ◆ A reduction in the real terms value of national funding for secondary education. Sound financial planning helps to mitigate the impact of this decrease in funding.
- ◆ Failure to comply with Employment law resulting in litigation or tribunals. The School has a contract with Bedford Borough Council for advice on Human Resource Management.
- ◆ Competition for funding/reputation/stakeholder risk – achievement standards falling or poor marketing, falling rolls. The School has a strong reputation and regularly promotes itself both internally and externally. Events such as the annual Open Evening and the Opportunities in Sixth Form are well advertised and well attended.
- ◆ Technology risk – information security risk, virus risk/corruption of data risk. The School subscribes to the Bedford Borough Broadband service that has extensive filters and virus protection. A back up of the School computer server is made each day and is stored off site.
- ◆ Quality risk of suppliers e.g. capital project providers. Contracts above £25,000 are subject to tender and approval by governors on the basis of value for money and quality of reference of suppliers.

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 School's current level of free reserves is £482,350 (2017 - £511,602).

At 31 August 2018 the restricted ESFA fund was a deficit of £2,034,000 (2017 – deficit of £2,211,000). £2,034,000 (2017 - £2,216,000) of this balance 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.

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 (continued)

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.

FUNDRAISING

The School undertakes a number of activities in relation to fundraising. This could be either for school improvement (The 'School Fund') or for donating to charity.

Principal activities to achieve this are:

- Non-uniform days for students and staff
- Cake, ice-cream or savoury food sales at break and lunch times
- Charity 'week' activities (by year group) such as 'sponge a teacher' or 'beat the goalie'
- An annual letter to parents (sent out in the autumn term) asking for donations towards the school fund.

The School carries out fundraising, mindful of the communities within which it operates and its duties under the Charities (Protection and Social Investment) Act 2016. The School does not use an outside agency for any form of fundraising. In undertaking fundraising activities, the School is aware of its duty to protect the public from undue pressure to donate. The School is not aware of any fundraising complaints for the year ended 31 August 2018.

FUTURE ACTIVITIES AND PLANS

During 2017/18 the second phase of the Connolly Hall was completed, ending a major project which has been undertaken over the past five years. In 2018/19 the School is looking at how to improve accommodation for the Teaching/Training School arm of the Academy's activities.

This financial year the School has sought to make financial savings as reserves reduce. The School will continue to try and maintain income through strong student intakes into Years 9 and 12 and seek value for money in any future expenditure.

Governors' report Year ended 31 August 2018

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, approved by order of the members of the Governing Body and signed on its behalf by:

Chairman



Date:

12 Dec 2018

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 Acting 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 School and the Secretary of State for Education. The Acting 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 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
Mr T Corkett	2	3
Dr R A'Court (Chairman)	3	3
Mr N Croft (Principal)\$	1	3
Mrs C Crowther	1	1
Mr A Day	2	3
Mr B Farbon	3	3
Mr D Farbon	2	3
Mr C Flynn	2	2
Mrs J Galvin	0	3
Mr S Gray (Acting Headteacher)*	3	3
Mr R Last	2	3
Mr R Mintern	1	3
Professor J Morris	1	3
Mrs D Nunn	3	3
Mr G Pereira	3	3
Mrs E Tebbutt	3	3
Mr C Templeman	3	3
Mrs J Tucker	2	3
Mrs E Woodward	2	3

*from 1/1/2018

\$until 31/12/2017

Governance (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose and responsibilities are described on page 6.

Attendance at meetings in the period was as follows:

Governor	Number of meetings attended	Out of a possible
Dr R A'Court (Chairman)	4	4
Mr N Croft (Principal)\$	—	4
Mr B Farbon	3	4
Mr D Farbon	2	4
Mr S Gray (Acting Headteacher)*	4	4
Mr R Mintern	2	4
Professor J Morris	3	4
Mr G Pereira	1	4

*from 1/1/2018

\$until 31/12/2017

Governance reviews

Plans are being drawn up to reconstitute the governing body, dividing responsibility and reallocating members and trustees.

In the spring of 2018 the School began to put into place new Articles of Association, in line with current guidelines. These have been adopted at the first full governors meeting in November 2018. The governing body of the academy will, as a result, consist of five members and twelve trustees going forward.

Review of value for Money

As Accounting Officer, the Acting Headteacher has responsibility for ensuring that the School 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 Governors where value for money can be improved, including the use on benchmarking data where available.

In 2017-18 the School has many examples of how it has improved the 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:

- ◆ Refurbishment of the old 'food block' to an ICT teaching block; and
- ◆ Awarding of a new three year contract for cleaning of the School to an outside agency.

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 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 include

- ◆ OFSTED Inspection Reports
- ◆ School self-evaluation form – (SEF)
- ◆ Reports of meetings of the Governing Body's sub committees
- ◆ Report of meetings of the full Governing Body meetings
- ◆ Annual report to parents
- ◆ School Development Plan

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 2018 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 2018 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 School's financial systems. On a termly basis, the RO reports to the governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Governance statement 31 August 2018

Review of effectiveness

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

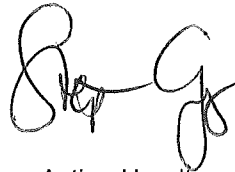
- ◆ the work of the Responsible Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework.

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:



Chairman



Acting Headteacher and Accounting Officer

Approved on: 12 Dec 2018

Statement on regularity, propriety and compliance 31 August 2018

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 and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2017.

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 2017.

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 ESFA.

A handwritten signature in black ink, appearing to read 'Stephen Gos'.

Acting Headteacher and Accounting Officer

Date: 12/12/2018

Statement of governors' responsibilities 31 August 2018

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 and Skills 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 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' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 ESFA 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:

Chairman

Date:


12 Dec 2018

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

Opinion

We have audited the financial statements of Redborne Upper School and Community College (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ◆ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report.

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

- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of trustees

As explained more fully in the governors' responsibilities statement, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

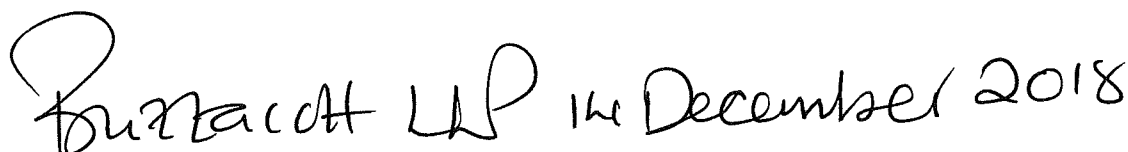
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore LLP 14 December 2018

Shachi Blakemore (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date:

Independent reporting accountant's report on regularity to the Governing Body of Redborne Upper School and Community College and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA 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 ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. 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.

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.

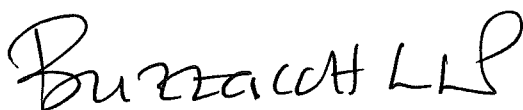
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the School's income and expenditure.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 14 December 2018

Statement of financial activities Year ended 31 August 2018
(Including Income and Expenditure Account)

	Notes	Un- restricted funds £	Restricted funds			2018 Total funds £	2017 Total funds £
			ESFA £	Other £	Fixed assets fund £		
Income from:							
Donations and capital grants	2	30,120	—	—	142,924	173,044	1,346,256
Charitable activities							
. Funding for the Academy's educational operations	3	—	7,800,292	336,822	—	8,137,114	8,105,247
. Teaching School	3, 24	—	87,307	—	—	87,307	45,770
Other trading activities	4	716,227	—	114,177	—	830,404	855,476
Investments	5	4,140	—	106	—	4,246	2,280
Total income		<u>750,487</u>	<u>7,887,599</u>	<u>451,105</u>	<u>142,924</u>	<u>9,232,115</u>	<u>10,355,029</u>
Expenditure on:							
Charitable activities							
. Academy's educational operations		704,643	8,099,292	487,430	542,696	9,834,061	9,912,263
. Teaching School		—	99,230	—	—	99,230	40,770
Total expenditure	6	<u>704,643</u>	<u>8,198,522</u>	<u>487,430</u>	<u>542,696</u>	<u>9,933,291</u>	<u>9,953,033</u>
Net (expenditure) income for the year before transfers		45,844	(310,923)	(36,325)	(399,772)	(701,176)	401,996
Transfers between funds		(75,096)	6,923	—	68,173	—	—
Net (expenditure) income for the year		(29,252)	(304,000)	(36,325)	(331,599)	(701,176)	401,996
Other recognised gains (losses)							
Actuarial gains (losses) on defined benefit pension scheme	19	—	481,000	—	—	481,000	653,000
Net movement in funds		(29,252)	177,000	(36,325)	(331,599)	(220,176)	1,054,996
Reconciliation of funds							
Fund balances brought forward at 1 September		511,602	(2,211,000)	65,069	15,552,364	13,918,035	12,863,039
Fund balances carried forward at 31 August		<u>482,350</u>	<u>(2,034,000)</u>	<u>28,744</u>	<u>15,220,765</u>	<u>13,697,859</u>	<u>13,918,035</u>

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

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	13		15,220,765		14,503,392
Current assets					
Debtors	14	198,234		145,567	
Cash at bank and in hand		870,351		1,880,113	
		<u>1,068,585</u>		<u>2,025,680</u>	
Creditors: amounts falling due within one year	15	<u>(557,491)</u>		<u>(395,037)</u>	
Net current assets			<u>511,094</u>		<u>1,630,643</u>
Total assets less current liabilities			<u>15,731,859</u>		<u>16,134,035</u>
Pension scheme liability	19		(2,034,000)		(2,216,000)
Total net assets			<u>13,697,859</u>		<u>13,918,035</u>
Funds of the School					
Restricted funds					
. Fixed assets fund	16		15,220,765		15,552,364
. ESFA fund	16		—		5,000
. Pension reserve	16		(2,034,000)		(2,216,000)
. Other funds	16		28,744		65,069
			<u>13,215,509</u>		<u>13,406,433</u>
Unrestricted funds					
. General fund	16		482,350		511,602
Total funds			<u>13,697,859</u>		<u>13,918,035</u>

The financial statements on page 31 to 57 were approved by the Governors, and authorised for issue on 12 DECEMBER 2018 and are signed on their behalf by:

Chairman



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

Statement of cash flows Year ended 31 August 2018

		2018 £	2017 £
Net cash flows from operating activities			
Net cash (used in) provided by operating activities	A	42,312	(174,188)
Cash flows from investing activities	B	(1,052,074)	976,413
Change in cash and cash equivalents in the year		(1,009,762)	802,225
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September		1,880,113	1,077,888
Cash and cash equivalents at 31 August	C	870,351	1,880,113
A Reconciliation of income (expenditure) to net cash flow from operating activities			
		2018 £	2017 £
Net income (expenditure) for the year (as per the statement of financial activities)		(701,176)	401,996
Adjusted for:			
Depreciation (note 13)		481,871	463,130
Capital grants from DfE and other capital income		(142,924)	(1,325,870)
Interest receivable (note 5)		(4,246)	(2,280)
Defined benefit pension scheme cost less contributions payable (note 19)		241,000	188,000
Defined benefit pension scheme finance cost (note 19)		58,000	55,000
(Increase) decrease in debtors		(52,667)	(8,532)
Increase in creditors		162,454	54,368
Net cash (used in) provided by operating activities		42,312	(174,188)
B Cash flows from investing activities			
		2018 £	2017 £
Interest receivable		4,246	2,280
Purchase of tangible fixed assets		(1,199,244)	(181,737)
Capital grants from DfE		142,924	1,155,870
Net cash used in investing activities		(1,052,074)	976,413
C Analysis of cash and cash equivalents			
		2018 £	2017 £
Cash at bank and in hand		870,351	1,880,113
Total cash and cash equivalents		870,351	1,880,113

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Redborne Upper School and Community College meets the definition of a public benefit entity under FRS 102.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the School's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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 meeting any performance-related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Income (continued)

Grants (continued)

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Charitable activities

These are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the academy trust.

All resources expended are stated net of recoverable 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.

Principal accounting policies 31 August 2018

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
Computer equipment	20% per annum
Fixtures, fittings and equipment	20% per annum
Motor vehicles	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.

The leasehold land and buildings value 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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial instruments (continued)

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

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 quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised 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 and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted ESFA funds comprise all other grants received from the Education and Skills 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.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability and estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

Notes to the financial statements Year ended 31 August 2018

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the School was subject to limits at 31 August 2018 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 2018.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Capital grants				
. Capital funding – ESFA devolved formula	—	—	—	32,485
. Capital funding – ESFA Conditional Improvement Fund grant	—	—	—	60,658
. Capital funding – Phase 2 Connolly Hall	—	109,297	109,297	1,062,727
. Capital funding – demographic growth capital fund	—	33,627	33,627	—
Donations in kind	—	—	—	170,000
Other donations	30,120	—	30,120	20,386
	<u>30,120</u>	<u>142,924</u>	<u>173,044</u>	<u>1,346,256</u>

3 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE / ESFA revenue grant				
. General Annual Grant (GAG)	—	7,693,992	7,693,992	7,628,711
. National College Grants	—	87,307	87,307	45,770
. Other ESFA grants	—	106,300	106,300	108,507
	—	<u>7,887,599</u>	<u>7,887,599</u>	<u>7,782,988</u>
Other government grants				
. Local authority grants – RSP grants	—	23,800	23,800	38,655
. School Direct	—	38,703	38,703	45,750
. Special educational projects	—	253,789	253,789	262,052
. Bikeability	—	20,530	20,530	21,572
	—	<u>336,822</u>	<u>336,822</u>	<u>368,029</u>
	—	<u>8,224,421</u>	<u>8,224,421</u>	<u>8,151,017</u>

Notes to the financial statements Year ended 31 August 2018

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Hire of facilities	125,055	5,653	130,708	143,892
Trip income	180,409	—	180,409	221,000
Catering income	156,792	—	156,792	152,167
Miscellaneous income	187,960	108,524	296,484	248,956
Consultancy services	66,011	—	66,011	89,461
	716,227	114,177	830,404	855,476

5 Income from investments

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Interest receivable	4,140	106	4,246	2,280

6 Expenditure

	Staff costs £	Non pay expenditure		2018 Total funds £	2017 Total funds £
		Premises £	Other costs £		
Charitable activities					
Academy's educational operations					
. Direct costs	6,484,350	—	715,852	7,200,202	7,382,909
. Support costs (note 7)	930,640	1,020,774	682,445	2,633,859	2,529,354
. Teaching School	—	—	99,230	99,230	40,770
	7,414,990	1,020,774	1,497,527	9,933,291	9,953,033

	2018 £	2017 £
Net income for the year includes:		
Operating leases	14,589	13,951
Fees payable to auditor		
. Statutory audit	10,350	10,100
. Non statutory audit	4,885	4,625
. Other non-audit services – current year	2,050	2,000

Notes to the financial statements Year ended 31 August 2018

7 Support costs

	2018 Total funds £	2017 Total funds £
Analysis of support costs		
Support staff costs	930,640	894,423
Depreciation	481,870	463,130
Technology costs	61,730	67,115
Premises costs	538,904	476,600
Other support costs	603,430	611,361
Governance costs (note 8)	17,285	16,725
Total support costs	2,633,859	2,529,354

8 Governance costs

	2018 Total funds £	2017 Total funds £
Auditor's remuneration:		
. Audit of financial statements	10,350	10,100
. Other audits	3,785	4,625
. Other non-audit services	3,150	2,000
	17,285	16,725

Notes to the financial statements Year ended 31 August 2018

9 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Un-restricted funds £	Restricted funds			2017 Total funds £
		ESFA £	Other £	Fixed assets fund £	
Income from:					
Donations and capital grants	20,386	—	—	1,325,870	1,346,256
Charitable activities					
· Funding for the Academy's educational operations	—	7,737,218	368,029	—	8,105,247
· Teaching school	—	45,770	—	—	45,770
Other trading activities	758,786	—	96,690	—	855,476
Investments	2,280	—	—	—	2,280
Total income	781,452	7,782,988	464,719	1,325,870	10,355,029
Expenditure on:					
Charitable activities					
· Academy's educational operations	929,721	8,041,168	419,784	463,130	9,853,803
· Teaching school	—	99,230	—	—	99,230
Total expenditure	929,721	8,140,398	419,784	463,130	9,953,033
Net (expenditure) income for the year before transfers	(148,269)	(357,410)	44,935	862,740	401,996
Transfers between funds	(194,249)	119,410	—	74,839	—
Net (expenditure) income for the year	(342,518)	(238,000)	44,935	937,579	401,996
Other recognised gains					
Actuarial gains on defined benefit pension scheme	—	653,000	—	—	653,000
Net movement in funds	(342,518)	415,000	44,935	937,579	1,054,996
Reconciliation of funds					
Fund balances brought forward at 1 September 2016	854,120	(2,626,000)	20,134	14,614,785	12,863,039
Fund balances carried forward at 31 August 2017	511,602	(2,211,000)	65,069	15,552,364	13,918,035

10 Staff

a) Staff costs

Staff costs during the year were:

	2018 Total funds £	2017 Total funds £
Wages and salaries	5,581,360	5,625,593
Social security costs	560,689	563,010
Pension costs	936,697	919,498
Apprenticeship levy	13,286	5,645
	7,092,032	7,113,746
Supply teacher costs	61,958	81,712
Staff restructuring	20,000	121,972
LGPS pension adjustment	241,000	188,000
	7,414,990	7,505,430

	2018 £	2017 £
Staff restructuring costs comprise		
Redundancy payments	—	91,972
Severance payments	20,000	30,000
	20,000	121,972

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,000. This amount relates to one single payment. (2017 – one single payment of £30,000).

c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August (on a headcount basis) was as follows:

	2018 No.	2017 No.
Charitable activities		
Teachers	104	110
Administration and support	76	81
Management	11	8
	191	199

Notes to the financial statements Year ended 31 August 2018

10 Staff (continued)

d) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	1	1
£80,001 - £90,000	—	1
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—
£140,001 - £150,000	1	—
£160,001 - £170,000	—	1

e) Key management personnel

The key management personnel of the School comprise the governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received on a paid basis by key management personnel for their services to the School was £1,012,979 (2017 - £833,572). These benefits consisted of payments to 11 members of the senior leadership team and 3 staff governors (2017 - 8 members of the senior leadership team and 2 staff governors).

11 Governors' remuneration and expenses

The Principal, Assistant Headteacher 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 on a paid basis in the year ended 31 August 2018 was as follows:

Paid:	2018 £'000	2017 £'000
N Croft, Principal		
. Remuneration	145k-150k	160k-165k
. Employer's pension contributions	5k-10k	25k-30k
A Day, staff governor and Assistant Headteacher		
. Remuneration	65k-70k	60k-65k
. Employer's pension contributions	10k-15k	10k-15k
C Flynn, staff governor		
. Remuneration	45k-50k	45k-50k
. Employer's pension contributions	5k-10k	5k-10k
C Crowther, staff governor		
. Remuneration	35k-40k	—
. Employer's pension contributions	5k-10k	—
D Nunn, staff governor		
. Remuneration	30k-35k	25k-30k
. Employer's pension contributions	5k-10k	5k-10k

Notes to the financial statements Year ended 31 August 2018

11 Governors' remuneration and expenses (continued)

No travel and subsistence expenses were reimbursed to governors during the year ended 31 August 2018 (2017 - £nil).

Other related party transactions involving the governors are set out in note 20.

12 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. It is not possible to identify the trustees' and officers' indemnity from the overall insurance cost.

13 Tangible fixed assets

	Furniture and equipment £	Leasehold land and buildings £	Computer Equipment £	Motor vehicles £	Total funds £
Cost/valuation					
At 1 September 2017	620,234	15,642,010	412,773	16,800	16,691,817
Additions	10,225	1,130,051	49,450	9,518	1,199,244
At 31 August 2018	<u>630,459</u>	<u>16,772,061</u>	<u>462,223</u>	<u>26,318</u>	<u>17,891,061</u>
Depreciation					
At 1 September 2017	234,971	1,702,432	247,102	3,920	2,188,425
Charge in period	104,018	312,565	60,500	4,788	481,871
At 31 August 2018	<u>338,989</u>	<u>2,014,997</u>	<u>307,602</u>	<u>8,708</u>	<u>2,670,296</u>
Net book value					
At 31 August 2018	<u>291,470</u>	<u>14,757,064</u>	<u>154,621</u>	<u>17,610</u>	<u>15,220,765</u>
At 31 August 2017	<u>385,263</u>	<u>13,939,578</u>	<u>165,671</u>	<u>12,880</u>	<u>14,503,392</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.

Notes to the financial statements Year ended 31 August 2018

14 Debtors

	2018 £	2017 £
Trade debtors	6,240	3,590
Prepayments and accrued income	92,585	79,300
VAT Debtor	99,409	62,677
	198,234	145,567

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	135,926	141,653
Trade creditors	263,188	33,216
Accruals and deferred income	149,331	213,028
Other creditors	9,046	7,140
	557,491	395,037
Deferred income		
Balance at 1 September	35,717	26,752
Deferred income released in the year	(35,717)	(26,752)
Resources deferred in the year	48,055	35,717
Deferred income at 31 August	48,055	35,717

Deferred income amounting to £48,055 (2017 - £35,717) relates to deposits received from students for bus travel and trips which will take place in 2018/19.

Notes to the financial statements Year ended 31 August 2018

16 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
ESFA revenue grant fund					
. General Annual Grant (GAG)	—	7,693,992	(7,693,992)	—	—
. National College Grant	5,000	87,307	(99,230)	6,923	—
. Pupil premium	—	106,300	(106,300)	—	—
	5,000	7,887,599	(7,899,522)	6,923	—
. Pension reserve	(2,216,000)	—	(299,000)	481,000	(2,034,000)
	(2,211,000)	7,887,599	(8,198,522)	487,923	(2,034,000)
Fixed assets fund					
. ESFA capital grants	11,724	—	(17)	—	11,707
. Capital funding – Sports Partnership Grant	24,877	—	(35)	—	24,842
. Capital grants for 3G Pitch	515,417	—	(10,858)	(82,877)	421,682
. Phase 2 DT Block	1,088,694	—	(46,627)	110,430	1,152,497
. Phase 2 Connolly Hall	1,048,727	109,297	(14,198)	—	1,143,826
. Capital grants from ESFA – 16-19 demographic growth grant	450,538	33,627	—	—	484,165
. DfE capital grants - Condition Improvement grant	37,831	—	—	7,419	45,250
. Capital grants from Local Authority – 16-19 demographic growth grant	2,626,026	—	(116,260)	—	2,509,766
. GAG	157,795	—	(49,746)	33,201	141,250
. School building and furniture and equipment transferred from Local Authority	9,420,735	—	(270,955)	—	9,149,780
. Donations in kind	170,000	—	(34,000)	—	136,000
	15,552,364	142,924	(542,696)	68,173	15,220,765
Other funds					
. Redborne Sports Partnership	8,778	132,324	(141,102)	—	—
. Other restricted funds	—	253,789	(253,789)	—	—
. Bikeability	3,242	20,530	(21,718)	—	2,054
. Schools Direct	28,750	38,703	(67,453)	—	—
. Tennis and Community Sports Partnership	24,299	5,759	(3,368)	—	26,690
	65,069	451,105	(487,430)	—	28,744
Total restricted funds	13,406,433	8,481,628	(9,228,648)	556,096	13,215,509
Unrestricted funds					
. General fund	511,602	750,487	(704,643)	(75,096)	482,350
Total unrestricted funds	511,602	750,487	(704,643)	(75,096)	482,350
Total funds	13,918,035	9,232,115	(9,933,291)	481,000	13,697,859

16 Funds (continued)

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

ESFA revenue grant

This fund represents grants received from the ESFA 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 2018. There was no carry forward at 31 August 2018.

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.

Notes to the financial statements Year ended 31 August 2018

16 Funds (continued)

Comparative information

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
ESFA revenue grant fund					
. General Annual Grant (GAG)	—	7,628,711	(7,748,121)	119,410	—
. National College Grant		45,770	(40,770)	—	5,000
. Pupil premium	—	108,507	(108,507)	—	—
	—	7,782,988	(7,897,398)	119,410	5,000
. Pension reserve	(2,626,000)	—	(243,000)	653,000	(2,216,000)
	(2,626,000)	7,782,988	(8,140,398)	772,410	(2,211,000)
Fixed assets fund					
. ESFA capital grants	12,239	32,485	(33,000)	—	11,724
. Capital funding – Sports Partnership Grant	25,877	—	(1,000)	—	24,877
. Capital grants for 3G Pitch	545,906	—	(30,489)	—	515,417
. Phase 2 DT Block	1,118,694	—	(30,000)	—	1,088,694
. Phase 2 Connolly Hall	—	1,062,727	(14,000)	—	1,048,727
. Capital grants from ESFA – 16-19 demographic growth grant	450,538	—	—	—	450,538
. DfE capital grants - Condition Improvement grant	—	60,658	(22,827)	—	37,831
. Capital grants from Local Authority – 16-19 demographic growth grant	2,729,286	—	(103,260)	—	2,626,026
. GAG	154,084	—	(71,128)	74,839	157,795
. School building and furniture and equipment transferred from Local Authority	9,578,161	—	(157,426)	—	9,420,735
Donations in kind	—	170,000	—	—	170,000
	14,614,785	1,325,870	(463,130)	74,839	15,552,364
Other funds					
. Redborne Sports Partnership	—	130,205	(121,427)	—	8,778
. Other restricted funds		263,027	(263,027)	—	—
. Bikeability	—	21,572	(18,330)	—	3,242
. Schools Direct	—	45,750	(17,000)	—	28,750
. Tennis and Community Sports Partnership	20,134	4,165	—	—	24,299
	20,134	464,719	(419,784)	—	65,069
Total restricted funds	12,008,919	9,573,577	(9,023,312)	847,249	13,406,433
Unrestricted funds					
. General fund	854,120	781,452	(929,721)	(194,249)	511,602
Total unrestricted funds	854,120	781,452	(929,721)	(194,249)	511,602
Total funds	12,863,039	10,355,029	(9,953,033)	653,000	13,918,035

Notes to the financial statements Year ended 31 August 2018

16 Funds (continued)

Comparative information (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
ESFA revenue grant fund					
. General Annual Grant (GAG)	—	15,322,703	(15,442,113)	119,410	—
. National College Grant	—	133,077	(140,000)	6,923	—
. Pupil premium	—	214,807	(214,807)	—	—
	—	15,670,587	(15,796,920)	126,333	—
. Pension reserve	(2,626,000)	—	(542,000)	1,134,000	(2,034,000)
	(2,626,000)	15,670,587	(16,338,920)	1,260,333	(2,034,000)
Fixed assets fund					
. ESFA capital grants	12,239	32,485	(33,017)	—	11,707
. Capital funding – Sports Partnership Grant	25,877	—	(1,035)	—	24,842
. Capital grants for 3G Pitch	545,906	—	(41,347)	(82,877)	421,682
. Phase 2 DT Block	1,118,694	—	(76,627)	110,430	1,152,497
. Phase 2 Connolly Hall	—	1,172,024	(28,198)	—	1,143,826
. Capital grants from ESFA – 16-19 demographic growth grant	450,538	33,627	—	—	484,165
. DfE capital grants - Condition Improvement grant	—	60,658	(22,827)	7,419	45,250
. Capital grants from Local Authority – 16-19 demographic growth grant	2,729,286	—	(219,520)	—	2,509,766
. GAG	154,084	—	(120,874)	108,040	141,250
. School building and furniture and equipment transferred from Local Authority	9,578,161	—	(428,381)	—	9,149,780
. Donations in kind	—	170,000	(34,000)	—	136,000
	14,614,785	1,468,794	(1,005,826)	143,012	15,220,765
Other funds					
. Redborne Sports Partnership	—	262,529	(262,529)	—	—
. Other restricted funds	—	516,816	(516,816)	—	—
. Bikeability	—	42,102	(40,048)	—	2,054
. Schools Direct	—	84,453	(84,453)	—	—
. Tennis and Community Sports Partnership	20,134	9,924	(3,368)	—	26,690
	20,134	915,824	(907,214)	—	28,744
Total restricted funds	12,008,919	18,055,205	(18,251,960)	1,403,345	13,215,509
Unrestricted funds					
. General fund	854,120	1,531,939	(1,634,364)	(269,345)	482,350
Total unrestricted funds	854,120	1,531,939	(1,634,364)	(269,345)	482,350
Total funds	12,863,039	19,587,144	(19,888,324)	1,134,000	13,697,859

17 Analysis of net assets between funds

	Unrestricted funds £	ESFA funds £	Restricted other funds £	Restricted Fixed assets fund £	Total 2018 £
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	—	—	—	15,220,765	15,220,765
Current assets	502,350	537,491	28,744	—	1,068,585
Current liabilities	(20,000)	(537,491)	—	—	(557,491)
Pension scheme liability	—	(2,034,000)	—	—	(2,034,000)
Total net assets	482,350	(2,034,000)	28,744	15,220,765	13,697,859

18 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.

19 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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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 TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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)
- ◆ 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £714,954 (2017 - £685,177).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, 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.

19 Pension and similar obligations (continued)

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 year ended 31 August 2018 was £293,000 (2017 - £292,000), of which employer's contributions totalled £223,000 (2017 - £219,000) and employees' contributions totalled £70,000 (2017 - £73,000). The agreed contribution rates for future years are 19.6% for employers and between 5.5% and 12.5% for employees.

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions in payment / inflation	2.4%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.4%	2.4%
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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.5	24.5
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.2	26.2

The impact of changes in the principal actuarial assumptions on the School's pension liability would be:

	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate – 0.5% increase	686	649
Salary increase rate – 0.5% increase	98	104
Pension increase rate – 0.5% increase	581	535

Notes to the financial statements Year ended 31 August 2018

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	1,916	1,663
Corporate bonds	463	437
Property	297	262
Cash and other liquid assets	628	554
Total market value of assets	3,304	2,916

The actual return on scheme assets was £156,000 (2017 - £78,000).

	2018 £'000	2017 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employee contributions)	464	407
Interest income	(76)	(54)
Interest cost	134	109
Total amount recognised in the SOFA	522	462

	2018 £000	2017 £000
Movements in the overall deficit were as follows:		
Deficit at 1 September	(2,216)	(2,626)
Current service cost	(464)	(407)
Employer's contributions	223	219
Net finance interest	(58)	(55)
Actuarial gains	481	653
At 31 August	(2,034)	(2,216)

	2018 £'000	2017 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September	5,132	5,218
Current service cost	464	407
Interest cost	134	109
Employee contributions	70	73
Actuarial gain	(401)	(629)
Benefits paid	(61)	(46)
At 31 August	5,338	5,132

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2018 £000	2017 £000
At 1 September	2,916	2,592
Interest income	76	54
Actuarial gain	80	24
Employer contributions	223	219
Employee contributions	70	73
Benefits paid	(61)	(46)
At 31 August	3,304	2,916

20 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.

21 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	—	1,040,685

Commitments at 31 August 2017 related to phase 2 of the Connolly Hall and includes four classrooms and a large dining area to accommodate the increase of student numbers.

22 Commitments under operating leases

Operating leases

At 31 August, the total of the School's future minimum lease payments under non-cancellable operating leases was as follows:

	2018 £	2017 £
Amounts due within one year	13,539	14,589
Amounts due between two and five years inclusive	18,462	32,002
32,001	46,591	

Notes to the financial statements Year ended 31 August 2018

23 Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ended 31 August 2018, the School received £18,473 (2017 - £16,824) and disbursed £16,429 (2017 - £14,587) from the fund. An amount of £9,046 (2017 - £7,001) is included in other creditors relating to undistributed funds that is repayable to ESFA.

24 Teaching school trading account

	2018 £	2017 £
Income	87,307	45,770
Expenditure		
Direct staff costs	(99,230)	(40,770)
Transfer between funds excluding depreciation	6,923	—
(Deficit) surplus for all services	(5,000)	5,000
Teaching school balance at 1 September	5,000	—
Teaching school balance at 31 August	—	5,000