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Redden Court School

Company limited by guarantee

Financial Statements

31 August 2012

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Redden Court School Company Limited by Guarantee

Financial Statements

For the period ended 31 August 2012

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Redden Court School Company Limited by Guarantee

Reference and Administrative Details

For the period ended 31 August 2012

Governors	Chairman	V Bensilum
	Vice-Chairman	P Barlow
	Responsible Officer	R West
	Community Governor	V Bensilum B Dorrian C Gray K Pyle C Mitchell P Barlow B Prigmore J Ford
	Local Community Governor	J Coles
	Staff Governor	H Richards D Lagdon K. Foley
	Parent Governor	J Hardy W Morris R West H Usbas S Durrant S Dickson
	Co-opted Governor	G Creighton J Hardy
Company Secretary		J Barrett
Senior Leadership Team:	Headteacher	P Ward
	Deputy Headteacher	S Cox
	Deputy Headteacher	C L Craig
	Director of 14-19	K Foley
	Director of student achievement	D Lagdon
	Director of staff development	S Thompson
	Director of T and L	F Gilgan
	Director of T and L	T Greaves
	Head Teachers Assistant	C Morris
	Business Manager	J Barrett

Redden Court School Company Limited by Guarantee

Reference and Administrative Details

For the period ended 31 August 2012

Principal and Registered Office	Redden Court School Cotswold Road Harold Wood Essex RM3 0TS
Company Registration Number	07689980 (England and Wales)
Independant Auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory A Boundary House 4 County Place Chelmsford Essex CM2 0RE
Bankers	Lloyds TSB plc 1-3 Market Place Romford Essex RM1 3AA
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

The Governors present their annual report together with the financial statements of Redden Court School ("the charitable company" or "the Academy") for the period from incorporation of the charitable company on 1 July 2011 to 31 August 2012

Structure, governance and management

Constitution

The Academy is a company limited by guarantee with no share capital (registration number 07689980) and an exempt charity. As an exempt charity, it is not required to be registered with the Charities Commission and instead is regulated by the Education Funding Agency on behalf of the Department of Education. (The Education Funding Agency is an executive agency of the Department of Education and replaced the Young People's Learning Agency in undertaking the regulatory role on 1 April 2012)

The charitable company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated by either the Secretary of State of the Department for Education. The articles of association require the members of the charitable company to appoint at least 3 Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charities legislation and as such are responsible for all aspects of the operations of the Academy. Further details of the responsibilities of Governors are given in the sections below.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while he/she is a member, or within one year they cease to be a member, such amount as may be required, not exceeding £10, for debts and liabilities contracted before he/she ceases to be a member.

Governors' Indemnities

The articles of association include provisions for the indemnification of Governors in respect of certain of their actions in connection with the Academy, and the Academy has in place Directors & Officers insurance for the benefit of Governors and other officers of the Academy.

Principal activities

The Academy Trust's objective is 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. To promote for the benefit of the inhabitants of Essex and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Redden Court School

Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Method of Recruitment and Appointment or Election of governors

The constitution of the Governing Body is detailed in the table above. Governors are appointed to serve for a period of 4 years, subject to remaining eligible within the class of Governor of their appointment, but are eligible for re-election.

The recruitment and appointment of Governors is undertaken in such a way as to ensure the Governing body has the balance of skills, knowledge and experience it considers necessary. Parent Governors are subject to election by the parents of pupils. The Governing body also considers succession planning from time to time.

Policies and Procedures Adopted for the Induction and Training of governors

As there are often new Governors each year, they are expected to undertake the basic governor training and encouraged to undertake other training specific to their role on the governing body which is offered by our Local Authority. New governors are also encouraged to ask questions when they do not understand what they are hearing or reading, especially the abundance of jargon, and discuss of concern any matters with the chairman should they wish to do so.

The training provided for new Governors depends upon their own existing experience although all Governors have access to web-based and traditional training provided by Havering Local Authority for all schools in the area. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors are offered a tour of the Academy and a chance to meet staff and students.

New governors are given copies of recent meeting minutes, details of the structure of our committees and recent financial information. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they may require to enable that they will need to undertake their role as Governors.

Governors who are able to visit during the school day are invited to be linked to one of the subject areas and asked to visit once each term to discuss with staff the progress within the department and future plans for changes and/or visits.

Governors on the Student Matters Committee scrutinise details of proposed visits before agreeing to them taking place.

Organisational Structure

The Governing body has not formally adopted a Governance code but adheres to the Seven Principles of Public Life set out by the Nolan Committee. It has also set out Standing Orders, a Scheme of Delegations, a Code of Conduct and Financial Regulations to codify various matters for the better operation of the Academy's business and within which it expressly reserves specified significant matters for its sole decision. The Governing body meets regularly and has established a number of Committees to which the Board has delegated certain responsibilities under formal Terms of Reference. The Governing body meetings are attended by representatives of the Senior Leadership Team.

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Resources Committee

All matters relating to Staffing, Finance, Premises, Health & Safety and Maintenance

This Committee meets once each half term at 5 00pm

Governors	Ex Officio	Staffing sub-committee	Staff Observers
Jonathon Coles (chair)	Paul Ward	*Jonathon Coles (chair)	Justin Barrett
Hilary Richards	Victor Bensilum	*Karen Pyle	Terry Donaldson
Karen Pyle		*Simon Durrant	
Georgina Creighton		Paul Ward	
Simon Durrant		Victor Bensilum	
Brenda Prigmore			
William Morris			

* Denotes member of the Headteacher's performance management review team

Student Matters Committee

All matters relating to discipline, special needs, attendance, uniform, school visits, healthy eating and parent concerns

This Committee meets once each term at 6 00pm

Governors	Ex Officio	Staff	Equality and Accessibility Committee
Christine Gray (Chair)	Paul Ward	Simon Cox	Paul Ward (Chair)
Jacqui Ford	Victor Bensilum	*Andrea White	Victor Bensilum
Pamela Barlow		*Tony Pennock	Jacqui Ford
Jacqui Hardy			Christine Gray
Colin Mitchell			Hilary Richards
Robert West			

* Denotes staff members of the Equality and Accessibility Committee

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Teaching and Learning Committee

All matters related to teaching and learning, curriculum and examinations

This committee meets once each term at 5 00pm

Governors	Ex Officio	Staff
Brian Dorrian (Chair)	Paul Ward	Frank Giligan
Denise Lagdon	Victor Bensilum	
Helen Usbas		
Vacancy		
Vacancy		
Robert West		

Membership of Committees is reviewed and determined annually. Committee appointments may involve non Governing body members, but the attendance of all those Committee members who are not Governors is not detailed in the table above for reasons of brevity.

In addition to the members listed above, staff and other advisors are asked to attend Committee meetings as necessary. The Governing body as a whole also meets annually with the Senior Leadership Team to undertake an operating review and receive training covering governor responsibilities and changes in the new Charities SORP.

Risk Management

The Governors, together with the Senior Leadership Team, have assessed the major risks to which the Academy is exposed, in particular relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors consider that various systems are in existence to assess risks that the school faces. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Connected Organisations, including Related Party Relationships

The Academy is part of a locality group with two other local Academy schools and other primary schools. The school works with a number of outside agencies including Behavioural Support, Social Services, Relate and Havering Music School.

The Academy also works in partnership with Havering Sixth form College and Havering College of Further & Higher Education, to which many of the Academy's pupils transfer on completing their education at the Academy.

The Academy has a Memorandum of Understanding with The Albany Academy and Hall Mead Academy.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation and development of the Redden Court School to provide education for pupils of different abilities between the ages of 11 and 16 offering a broad and balanced curriculum. The Academy is recognised as a Leading Edge Specialist Academy in ICT and Mathematics by the Department of Education.

In accordance with the articles of association the charitable company has adopted a scheme of Government approved by the Secretary of State of the Department of Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on the English Baccalaureate subjects and their applications.

Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2012 are summarised below.

The Academy's objective is 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. To promote for the benefit of the inhabitants of Essex and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy's main strategy is encompassed in its mission statement which is "Committed to Success". To this end the activities include:

- Delivery of an enriched curriculum,
- School clubs
- Mentoring and student support,
- Pastoral care,
- Careers advice,
- Counselling,
- Home school support,

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Public Benefit

Benefits to the public include high quality learning provision within a local community. The school offers wrap around care including breakfast, sport and homework clubs. The school also offers the premises for lettings where a number of organisations offer further opportunities for the public to engage in activities. These activities include:

- Performing arts
- Dance
- Football
- Marching band
- Adult college
- Sugarcraft
- Flower arranging
- Zumba
- Badminton

Equal opportunity policy

The Governors recognise that equal opportunities should be an integral part of the good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by making reasonable adaptations to the physical environment, by making support resources available and through training and career development.

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Achievements and Performance

The Academy has just completed its first year of operation and is now oversubscribed and attracting the forecast number of students. Total students in the year ending 31 August 2012 are 645 and the Academy has a full complement in all year groups. The Academy has agreed to admit 150 students each year from September 2011, which represents an increase of 25 students in each year group.

Examination results for 2012 were, once again, record results for the Academy with 100% of students achieving 5A* to C grades and with 57% achieving 5A* to C grades including English and Maths.

The Academy was inspected by Ofsted in November of 2011 and judged to now be a good school with outstanding features. These outstanding features include Leadership and Management, Behaviour, Safeguarding, Leadership of Teaching and Learning and Capacity to Improve Further. This judgment was a significant improvement on the January 2009 judgement where the school was considered to be barely satisfactory.

To ensure that standards continue to rise, the Academy operates an extensive Teaching and Learning programme using data to inform teaching and interventions vigorously where underperformance is detected.

The curriculum at Redden Court is structured to offer a 2 year KS3 with a wide range of subjects. In addition to the baccalaureate subjects, the school offers Design and Technology, Art, Music, Drama PE, RE, Citizenship and Modern Foreign Languages in KS2. In KS4 the Academy offers a variety of pathways including an applied pathway, a vocational pathway and an academic pathway based on the Ebacc. We also offer a wide range of extra curricular activities, particularly in Sport, The Performing Arts, Duke of Edinburgh and additional GCSE's. The opportunity for work experience is offered to all students at the end of Year 10. Our PE department is extremely successful and competes in all the local school leagues. During the course of the 2011-2012 academic year they won competitions in Volleyball, Rugby, Football, Trampolining and Netball.

Going Concern

After making appropriate enquiries, the Governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it has adopted the going concern basis in preparing the financial statements.

Key Financial Performance Indicators

The Governing Body continues to use both financial and non financial key performance indicators to manage the Academy. The Academy maintains a strong management information function which is focussed on regular and accurate reporting. Financial KPIs are measured continuously, and the Academy was successful in delivering its financial surplus in the period.

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Financial Review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from DfES. In accordance with SORP 2005, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2012, total expenditure of £5,516,149 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds) was £663,452. This includes a £589,000 expense for the pension liability transferred on conversion.

The expenditure of the Academy has fully supported the improvements in results that have been made by the students. Investment in staff and in the resources and maintenance of the building has ensured a safe and happy working environment where staff are well trained, enthusiastic and deliver a well rounded curriculum. Our students achieve and say they enjoy learning. This is further emphasised by the added value that the school achieves and the levels of attainment that have been detailed above.

At 31 August 2012 the net book value of fixed assets was £12,338,494 and movements in tangible fixed assets are shown in the note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Upon Academy conversion, a number of assets have been recognised as gifted to the Academy. These include fixed assets (£12,272,000) and unspent delegated budget upon closure of the Local Authority School (£139,662).

The Academy held fund balances at 31 August 2012 of £11,652,368 comprising £4,727 of restricted funds, £12,315,820 of restricted fixed asset funds and £129,821 of unrestricted general funds and a pension reserve deficit of £798,000.

In accordance with FRS17, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31 August 2012 and is shown in note 19 to the financial statements.

Redden Court School Company Limited by Guarantee

Governors' Annual Report

For the period ended 31 August 2012

Principal Risks and Uncertainties

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The key areas identified are strategic and reputational, operational, compliance, financial, demographic and asset management. The principal risks and uncertainties are centred around changes in the level of funding from the EFA, in light of the forthcoming Funding Review and its implications. In addition, the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy Balance Sheet and the Teachers Pension Scheme (TPS), not recognised on the Academy's Balance Sheet and discussed in note 1.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amounts held in fixed assets and restricted funds) is £129,821 which is less than is needed.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to assist its students in getting jobs or places in higher education once they leave. The Academy aims, in the future, to provide the opportunity for more students through expansion and to invest in capital build to ensure there is capacity to teach these additional students.


Auditor

In so far as the governors are aware

- there is no relevant audit information of which the Redden Court School's auditors are 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.

The auditors, MHA MacIntyre Hudson, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Approved by order of the members of the governing body on 13/12/12 and signed on its behalf by


V BENSIUM
Chairman

Redden Court School Company Limited by Guarantee

Governance Statement

For the period ended 31 August 2012

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Redden Court School Trust 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 Mr Paul Ward, 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 Redden Court School and the Secretary of State for Education. They are 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 year. Attendance during the year at meetings of the governing body was as follows:

Full Governors	10th November 2011	28th February 2012	20th March	10th July
Karen Pyle	Y	Y	Y	N
Jonathan Coles	Y	Y	Y	Y
Brenda Prigmore	Y	Y	N	Y
Simon Durrant	N	Y	Y	N
Simon Dickson	N/A	Y	Y	Y
Victor Bensilum	Y	Y	Y	Y
Georgina Creighton	N	Y	Y	N
Hilary Richards	Y	Y	Y	Y
Bill Morris	Y	N	N	N
Dean Anscumb	N/A	N/A	N/A	Y
Cliff Wright	Y	N/A	N/A	N/A
Christine Gray	Y	Y	Y	Y
Jacqui Ford	Y	Y	N	Y
Bob West	Y	Y	Y	Y
Colin Mitchell	N	Y	Y	Y
Pam Barlow	Y	N	Y	Y
Jacqui Hardy	Y	Y	Y	Y
Brian Dorrnan	Y	Y	Y	Y
Helen Usbas	Y	N	Y	N
Denise Lagdon	Y	Y	Y	Y
Kieran Foley	N/A	N/A	N	Y

Redden Court School Company Limited by Guarantee

Governance Statement

For the period ended 31 August 2012

The Resource Committee is a sub-committee of the main governing body. Its purpose is to discuss all matters relating to Staffing, Finance, Premises, Health & Safety and Maintenance. Attendance at meetings in the year was as follows:

Resources	29th Sept	22nd Nov	17th Jan	13th March	29th May	5th July
Karen Pyle	Y	Y	Y	N	Y	N
Jonathan Coles	Y	Y	Y	Y	Y	Y
Brenda Prigmore	N	Y	Y	N	N	N
Simon Durrant	N	N	Y	Y	N	Y
Simon Dickson	N/A	N/A	Y	Y	N/A	N/A
Victor Bensilum	Y	Y	Y	Y	Y	Y
Georgina Creighton	N	N	N	Y	N	N
Hilary Richards	Y	Y	Y	Y	Y	Y
Bill Morris	N/A	N/A	N/A	N/A	N/A	Y
Dean Anscomb	N/A	N/A	N/A	N/A	N/A	N/A
Cliff Wright	Y	N/A	N/A	N/A	N/A	N/A

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage effectively, efficiently and economically. The system of internal control has been in place at the Redden Court School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Redden Court School Company Limited by Guarantee

Governance Statement

For the period ended 31 August 2012

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Audit, Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure
- 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 R West, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The RO function has been fully delivered in line with the EFA's requirements and no material control issues were found to exist within the period.

Redden Court School Company Limited by Guarantee

Governance Statement

For the period ended 31 August 2012

Review of Effectiveness

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the school business manager within the school who has responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the governing body on 13/12/12 and signed on its behalf by


V BENNILUM
Chairman


P WARD
Accounting officer

Redden Court School Company Limited by Guarantee

Statement on Regularity, Propriety and Compliance

For the period ended 31 August 2012

As accounting officer of Redden Court School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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



P WARD

Accounting officer

Redden Court School Company Limited by Guarantee

Statement of Governors' Responsibilities

For the period ended 31 August 2012

The governors (who act as trustees for charitable activities of Redden Court School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and 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 they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements the Governors are required to

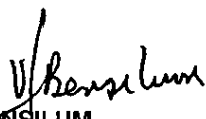
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP, make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

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

Approved by order of the members of the governing body on 13/12/12 and signed on its behalf by


V BENSI LUM
Chairman

Redden Court School Company Limited by Guarantee

Independent auditors' report to the Members of Redden Court School

For the period ended 31 August 2012

We have audited the financial statements of Redden Court School for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 17), the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

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

Redden Court School Company Limited by Guarantee

Independent auditors' report to the Members of Redden Court School

For the period ended 31 August 2012

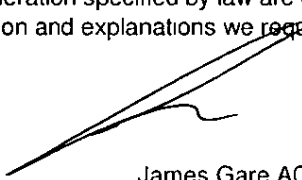
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



James Gare ACA DChA (Senior Statutory Auditor)
For and on behalf of
MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

21/12/12

Redden Court School Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to Redden Court School and the Education Funding Agency

For the period ended 31 August 2012

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Redden Court School during the period from incorporation on 1 July 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Redden Court School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Redden Court School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Redden Court School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Redden Court School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Redden Court School's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook as published by the DfES in 2006, 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

**Redden Court School
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to Redden Court School and
the Education Funding Agency**

For the period ended 31 August 2012

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 incorporation on 1 July 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



MHA MacIntyre Hudson
Chartered Accountants

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

21/12/12

**Redden Court School
Company Limited by Guarantee**

Statement of Financial Activities (Including the Income and Expenditure Account and Statement of Total Realised Gains and Losses)
For the period ended 31 August 2012

	Note	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	3	36,166	-	139,662	12,272,000	12,447,828
Activities for generating funds	4	47,004	-	-	-	47,004
Investment income		567	-	-	-	567
Incoming resources from charitable activities						
Funding for the Academy's educational operations	5	-	-	4,630,637	154,706	4,785,343
Other income from educational operations	6	46,084	-	60,691	-	106,775
Total Incoming Resources		129,821	-	4,830,990	12,426,706	17,387,517
Resources Expended						
Charitable activities						
Academy's educational operations	8	-	(10,000)	4,811,600	110,886	4,912,486
Governance costs	9	-	-	14,663	-	14,663
Pension scheme liability transferred	19	-	589,000	-	-	589,000
Total Resources Expended		-	579,000	4,826,263	110,886	5,516,149
Net income/(expenditure) before transfer		129,821	(579,000)	4,727	12,315,820	11,871,368
Transfer between funds		(22,674)	-	-	22,674	-
Net incoming/(outgoing) resources before other recognised gains and losses		107,147	(579,000)	4,727	12,338,494	11,871,368
Other recognised gains/losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(219,000)	-	-	(219,000)
Net movements in funds		107,147	(798,000)	4,727	12,338,494	11,652,368
Total funds at 31 August 2012		107,147	(798,000)	4,727	12,338,494	11,652,368

All of the Academy's activities derive from continuing operations during the current financial period

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

The accounting policies and notes on pages 25 to 41 form part of these financial statements

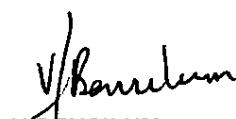
Redden Court School Company Limited by Guarantee


Balance Sheet

31 August 2012

	Notes	£	2012 £
Fixed assets			
Tangible assets	13		12,338,494
Current assets			
Debtors	14	87,789	
Cash at bank and in hand		493,517	
		<u>581,306</u>	
Creditors amounts falling due within one year	15	(469,432)	
Net current assets			<u>111,874</u>
Total assets less current liabilities			<u>12,450,368</u>
Pension scheme liability	19		(798,000)
Net assets including pension liability			<u><u>11,652,368</u></u>
Funds	16		
Restricted funds			
Fixed asset fund		12,338,494	
General fund		4,727	
Pension fund		<u>(798,000)</u>	
			11,545,221
Unrestricted funds			
General reserve			107,147
			<u><u>11,652,368</u></u>

The financial statements have been approved by the Governors, and authorised for issue on on
and are signed on their behalf by


V BENSILUM
Chairman


P WARD
Accounting officer

**Redden Court School
Company Limited by Guarantee**

Cash Flow Statement

31 August 2012

	Note	£	2012 £
Net cash flow from operating activities	24		670,330
Returns on investment and servicing of finance			
Bank interest receivable	25	<u>567</u>	567
Capital expenditure	26		(177,380)
Net increase in cash			<u>493,517</u>

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

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

1. Accounting policies

Basis of preparation of financial statements

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

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Redden Court School to an academy trust have been valued at their depreciated replacement cost value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their depreciated market cost value is in accordance with the accounting policies set out for Redden Court School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 20.

Going Concern

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

Since the period end the Academy has considered investing some of its free reserves into a building project to create a new drama block. The Governor's are fully aware that the Academy's free reserves are modest and that any investment of funds creates associated financial risks. The governors are satisfied that they can manage the risks associated with the proposed build. The Governors will only commit the Academy to such future capital expenditure if sufficient funds can be raised / are available. On this basis the Governors are satisfied that the accounts should be prepared on a going concern basis.

Fund accounting

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

Restricted general funds comprise all other restricted funds received and include grants from the EFA.

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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

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

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

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

Resources Expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

Tangible fixed assets and depreciation

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 Academy Trust's depreciation policy.

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

Land & Buildings	-	50 years
Computer and other Equipment	-	3 years
Motor Vehicle	-	10 years

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

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

Finance and operating leases

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust 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.

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

2 General Annual Grant (GAG)

a Results and Carry Forward for the Year

	2012 £
GAG allocation for current year	4,271,739
Recurrent expenditure from GAG	(4,271,739)
Fixed assets purchased from GAG	-
GAG carried forward to next year	-

Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)

(512,609)

GAG to surrender to DfE

(12% rule breached if result is positive)

(512,609)

No Breach

b Use of GAG brought forward from previous year for recurrent purposes

Note not applicable as first period of academy operation

3 Voluntary income

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Donations	6,899	-	-	-	6,899
Charity collections	29,267	-	-	-	29,267
Transfer from Local Authority on conversion	-	-	139,662	12,272,000	12,411,662
	36,166	-	139,662	12,272,000	12,447,828

4 Activities for generating funds

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Music income	5,719	-	-	-	5,719
Lettings income	41,285	-	-	-	41,285
	47,004	-	-	-	47,004

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

5 Funding for Academy's educational operations

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
DfE/EFA capital grant					
Academy main building grants	-	-	-	154,706	154,706
DfE / EFA revenue grants					
General Annual Grant (GAG) (note 2)	-	-	4,271,739	-	4,271,739
Other EFA grants	-	-	58,700	-	58,700
	-	-	4,330,439	-	4,330,439
Other Government grants	-	-	300,198	-	300,198
	-	-	4,630,637	154,706	4,785,343

6 Other income from educational operations

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Educational visits	-	-	60,691	-	60,691
Other income	46,084	-	-	-	46,084
	46,084	-	60,691	-	106,775

7 Resources expended

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total £
Direct costs	3,232,822	-	515,314	3,748,136
Allocated support costs	340,743	270,501	553,106	1,164,350
	3,573,565	270,501	1,068,420	4,912,486
Governance	-	-	14,663	14,663
	3,573,565	270,501	1,083,083	4,927,149

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

8 Academy's educational operations

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Direct costs					
Teaching and educational support	-	-	3,232,822	-	3,232,822
Educational supplies	-	-	420,703	-	420,703
Examination fees	-	-	78,249	-	78,249
Information and communication technology	-	-	-	-	-
Staff development	-	-	10,573	-	10,573
Other educational expenditure	-	-	5,789	-	5,789
	-	-	3,748,136	-	3,748,136
Allocated support costs					
Support staff costs		(35,000)	375,743	-	340,743
Depreciation	-	-	-	110,886	110,886
Recruitment and support	-	-	5,168	-	5,168
Maintenance of premises and equipment	-	-	128,788	-	128,788
Cleaning and caretaking	-	-	68,655	-	68,655
Rent, rates and utilities	-	-	73,058	-	73,058
Insurance	-	-	40,013	-	40,013
Security and transport	-	-	21,919	-	21,919
Catering	-	-	-	-	-
Bank interest and charges	-	25,000	-	-	25,000
Information and communication technology	-	-	122,002	-	122,002
Other support costs	-	-	228,118	-	228,118
	-	(10,000)	1,063,464	110,886	1,164,350
	-	(10,000)	4,811,600	110,886	4,912,486
Resources expended include					2012 £
Auditors' remuneration					
Audit fee					8,250
Auditors other services					6,233
Depreciation	- on owned assets				110,886

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

9 Governance costs

	Unrestricted Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Auditors remuneration	-	8,250	-	8,250
Audit of financial statements	-	6,233	-	6,233
Auditors other services	-	180	-	180
Legal Fees	-	14,663	-	14,663

10 Staff numbers and costs

	2012 £
Wages and salaries	3,088,837
Social security costs	173,088
Pension costs	305,815
	3,567,740
Supply teacher costs	5,825
Compensation payments	-
	3,573,565

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

	Number
Charitable Activities	
Teachers	40
Administration and support	40
Management	9
	89

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

	Number
£60,001 - £70,000	2
£70,001 - £80,000	1
	3

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £28,899

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

11 Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the Principal's annual remuneration was £79,381 in 2012. The combined value of staff governor's annual remuneration was £101.

During the period ended 31 August 2012, £15 was reimbursed to 1 governor for stationery.

Related party transactions involving the trustees are set out in note 29.

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year can not be separately identified from the Academies overall insurance cost.

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

13 Tangible fixed assets

	Land and buildings	Motor Vehicles	Computer equipment	Assets under construction	Total
	£	£	£	£	£
Cost					
Transfer on conversion	12,200,000	42,000	30,000		12,272,000
Additions	19,175	-	16,370	141,835	177,380
At 31 August 2012	12,219,175	42,000	46,370	141,835	12,449,380
Depreciation					
Charge for the period	91,384	4,200	15,302	-	110,886
At 31 August 2012	91,384	4,200	15,302	-	110,886
Net book value					
At 31 August 2012	12,127,791	37,800	31,068	141,835	12,338,494

14 DEBTORS

	2012 £
Due within one year	
Trade debtors	8,646
VAT recoverable	47,217
Prepayments and accrued income	31,926
	87,789

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £
Trade creditors	43,423
Other creditors	143,322
PAYE/NI	106,535
Accruals and deferred income	176,151
	<u>469,432</u>

Deferred income

Amount deferred in the period	141,554
Balance at 31 August 2012	<u>141,554</u>

At the balance sheet date the Academy trust was holding funds in advance of the 12/13 financial year

16 Statement of Funds

	Incoming Resources £	Resources Expended £	Gains and losses £	Transfer £	Balance at 31 Aug 12 £
General Restricted funds					
General Annual Grant (GAG)	4,271,739	(4,271,739)	-	-	-
Other government grants	300,198	(300,198)	-	-	-
Other restricted	200,353	(196,953)	-	-	3,400
EFA Grants	58,700	(57,373)	-	-	1,327
	<u>4,830,990</u>	<u>(4,826,263)</u>	<u>-</u>	<u>-</u>	<u>4,727</u>
Restricted fixed asset funds					
Dfe/EFA capital grants	154,706	-	-	(154,706)	-
Other restricted	12,272,000	(110,886)	-	177,380	12,338,494
	<u>12,426,706</u>	<u>(110,886)</u>	<u>-</u>	<u>22,674</u>	<u>12,338,494</u>
Restricted pension fund					
Pension fund	-	(579,000)	(219,000)	-	(798,000)
	<u>-</u>	<u>(579,000)</u>	<u>(219,000)</u>	<u>-</u>	<u>(798,000)</u>
Total restricted funds	<u>17,257,696</u>	<u>(5,516,149)</u>	<u>(219,000)</u>	<u>22,674</u>	<u>11,545,221</u>
Unrestricted funds General reserve	129,821	-	-	(22,674)	107,147
Total unrestricted funds	<u>129,821</u>	<u>-</u>	<u>-</u>	<u>(22,674)</u>	<u>107,147</u>
Total funds	<u>17,387,517</u>	<u>(5,516,149)</u>	<u>(219,000)</u>	<u>-</u>	<u>11,652,368</u>

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

Restricted general funds and other restricted funds

These grants relate to the Academy's development and operational activities

Restricted fixed asset fund

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

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

16 Statement of Funds (continued)

Unrestricted reserve

These funds relate to unrestricted income to be used to support the academy's objectives and educational activities

17 Analysis of net assets between funds

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Tangible fixed assets	12,338,494	-	-	-	12,338,494
Net current assets	(12,231,347)	-	4,727	12,338,494	111,874
Pension Liability	-	(798,000)	-	-	(798,000)
	<u>107,147</u>	<u>(798,000)</u>	<u>4,727</u>	<u>12,338,494</u>	<u>11,652,368</u>

18 Other financial commitments

2012
£

At 31 August 2012 the Redden Court School had annual commitments under non-cancellable operating leases (all for rental equipment) as set out below

Operating leases which expire
within two to five years

23,852
23,852

19. Pension and similar obligations

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

As described in 20 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was and of the LGPS was at

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

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

19. Pension and similar obligations *(continued)*

Teachers' Pension Scheme

Introduction

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

The Teacher's Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

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

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

19 Pension and similar obligations *(continued)*

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

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

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £219,000, of which employer's contributions totalled £46,000 and employees' contributions totalled £173,000. The agreed contribution rates for future years are 25.3% for employers and employees contributions are dependent on the level of their full-time equivalent salary ranging from 5.5% to 10%.

<i>Principal Actuarial Assumptions</i>	2012
	%
Rate of increase in salaries	4.0
Rate of increase in pensions payment	2.2
Discount rate for scheme liabilities	4.1
Expected return on assets	4.8

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19 Pension and similar obligations *(continued)*

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

	2012
Retiring today	
Males	21.9
Females	24.6
Retiring in 20 years	
Males	23.8
Females	26.5

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

	Expected Return at 2012 %	Value of assets £
Equities	5.5	639,000
Bonds	3.4	266,000
Property	3.7	59,000
Other	2.8	20,000
Total fair value of assets	5.0	984,000
Present fair value of funded benefit obligations		(1,782,000)
Deficit in the scheme		(798,000)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

Amounts recognised in the statement of financial activities	2012 £
Current service cost (net of employee contribution)	138,000
Total operating charge	138,000

Analysis of pension finance income / (costs)

Expected return on assets	(47,000)
Interest on pension liabilities	(72,000)
Pension finance costs	(119,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £219,000.

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Notes to the Financial Statements

For the period ended 31 August 2012

19 Pension and similar obligations *(continued)*

Movements in the present value of defined benefit obligations	2012
	£

Benefit obligation at beginning of period	1,276,000
Current service costs	138,000
Interest on pension liabilities	72,000
Member contributions	46,000
Actuarial losses/(gains)	250,000
Benefits/transfers paid	-
At 31 August 2012	<u>1,782,000</u>

Movements in the fair value of the Academy's share of scheme assets	2012
	£

Fair value of Scheme assets at beginning of period	(687,000)
Expected return on plan assets	(47,000)
Actuarial (losses)/gains	(31,000)
Employer contributions	(46,000)
Member contributions	(173,000)
Benefits/transfers paid	-
At 31 August 2012	<u>(984,000)</u>

Reconciliation of opening and closing deficit	2012
	£

Pension scheme liability transferred	(1,963,000)
Current service costs (net of employee contributions)	(138,000)
Employer contributions	(46,000)
Other finance income	(119,000)
Actuarial (losses)/gains	(281,000)
At 31 August 2012	<u>(2,547,000)</u>

Amounts for the current and previous periods are as follows

	2012
	£
Funded benefit obligation	(1,782,000)
Scheme assets	(984,000)
Deficit	<u>(2,766,000)</u>
Experience adjustment on Scheme assets	(31,000)
Experience adjustment on Scheme liabilities	<u>(250,000)</u>

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

20 Conversion to an academy trust

On 1 September 2011 Redden Court School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred from Essex County Council Local Authority for £nil consideration. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as voluntary income.

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

	Unrestricted Funds 2012 £	Restricted Pension Funds 2012 £	Restricted General Funds 2012 £	Restricted Fixed Asset Funds 2012 £	Total Funds 2012 £
Tangible Fixed Assets					
Land and Buildings	-	-	-	12,272,000	12,272,000
Budget surplus/(deficit) on LA funds	-	-	139,662	-	139,662
Budget surplus/(deficit) on other school funds	-	-	-	-	-
LGPS pension surplus/(deficit)	-	(589,000)	-	-	(589,000)
Borrowing obligations	-	-	-	-	-
	-	(589,000)	139,662	12,272,000	11,822,662

The above net assets include £170,946 that were transferred as cash.

22 Ultimate controlling party

There is no ultimate controlling party.

23 Company limited by guarantee

The Academy is a company limited by guarantee and does not have share capital.

Redden Court School Company Limited by Guarantee

Notes to the Financial Statements

For the period ended 31 August 2012

24 Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2012 £
Operating surplus	11,871,368
Add back	
Fixed assets transferred on conversion	(12,272,000)
Pension liability transferred on conversion to an academy trust	589,000
Income and expenditure in the year affecting the pension liability	(10,000)
Depreciation and amortisation	110,886
Decrease in stock	-
(Increase) in debtors	(87,789)
Increase in creditors	469,432
Less bank interest receivable	(567)
Net cash input from operations	670,330

25 Returns on investments and servicing of finance

	2012 £
Bank interest receivable	567

26 Analysis of changes in net debt

	2012 £
Purchase of tangible fixed assets	177,380

27. Analysis of changes in net funds

	01 Sep 11 £	Cash flows £	31 Aug 12 £
Cash at bank	-	493,517	493,517

28 Members' liability

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

29 Related party transactions

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