

**Redborne Upper School
and Community
College**

**Annual Report and Financial
Statements**

31 August 2020

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



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Reference and administrative information

Members	Dr. R. A'Court* (Chairman) Mr. B. Farbon* (Vice-Chairman) Mr. D. Farbon* Ms. J. Galvin Mr. R. Mintern*
Governors	Mr. C. Birtwisle Mrs C. Crowther (Staff Governor) Mr. A. Day (Staff Governor) Mr. R. Last Professor. J. Morris* Mrs. D. Nunn (Staff Governor) Mr. G. Pereira* Mrs. E. Tebbutt Mr. C. Templeman Ms. B. Woodward Mr O. Button * members of the Finance Committee
Company Secretary	A French
Senior Leadership Team	
Headteacher	O Button
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	J Trapp
Registered address	Flitwick Road Amphill Bedfordshire MK45 2NU
Company registration number	07566436 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

Solicitors Stone King LLP
Boundary House
Charterhouse Street
London
EC1M 6HR

Governors' report Year ended 31 August 2020

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 2020. 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 31 to 36 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 Headteacher is responsible for the internal organisation and management of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' duties and responsibilities (continued)

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.
3. The governors share responsibility with DfE and the Headteacher for ensuring that:
 - ◆ the National Curriculum is followed;
 - ◆ only approved external qualifications and syllabuses are offered to students;
 - ◆ religious education is provided for all in accordance with the agreed syllabus.
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 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 2020 and served throughout the year except where shown.

Governor	Appointed/Resigned	
Dr R A'Court (Chairman)		Parent Body (Member of the A.T.)
Mr C Birtwisle		Trustee of the Academy Trust (TAT)
Mrs C Crowther		School's staff
Mrs C Davies	Appointed November 2019	Trustee of the Academy Trust (TAT)
Mr A Day		School's staff
Mr B Farbon		Member of the Academy Trust
Mr D Farbon		Member of the Academy Trust
Mrs J Galvin		Parent body (Member of the A.T.)
Mr R Last		Trustee of the Academy Trust
Mr R Minter		Parent body (Member of the A.T.)
Professor J Morris		Trustee of the Academy Trust
Mrs D Nunn		School's staff
Mr G Pereira		Trustee of the Academy Trust
Mrs E Tebbutt		Parent body (TAT)
Mr C Templeman		Parent body (TAT)
Mrs J Tucker	Resigned January 2020	Trustee of the Academy Trust (TAT)
Mrs E Woodward		Parent body
Mr O Button (Headteacher)		Ex officio

Method of recruitment and appointment or election of governors

The Governing Body comprises of 6 parent governors, 7 community governors, 3 staff governors and the Headteacher as ex-officio governor. The parent governors are elected by the parent body of the School. The staff governors are elected by the School's staff. The 7 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 co-ordinates the work of the governors and their Committees, prepares agendas and papers and reviews matters arising. The Business Manager prepares the financial statements on behalf of the governors.

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

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

Premises and Community Sub-Committee

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

Curriculum and Student Welfare Sub-Committee

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

Finance Sub-Committee

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Personnel Sub-Committee

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

Disciplinary/Exclusions Sub-Committee

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

Salaries Sub-Committee

- ◆ Staff pay policy.
- ◆ Staff salaries.

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

The Headteacher is an ex-officio governor, 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.

Arrangements for setting pay and remuneration of key management personnel

A special subcommittee 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 2019/20.

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.

As the set budget was based on being fully funded, which the academy continued to be during the period from March 2020 to August 2020, it was able to support its financial commitments (eg staff salaries and external contracts). During this period, much of the school operated on a remote basis in terms of learning, with staff working from home where possible. The changes to risk under these conditions was relatively low as a result. In the later summer months, we began to have staff and students on site for some learning but under a revised risk assessment in terms of COVID and maintaining safety.

Connected organisations, including related party relationships

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

The governors annually review these partnerships with these partner institutions.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

Objectives, strategies and activities

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

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

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 2019 – 2020

A Level successes

- ◆ 100% pass rate at A level
- ◆ APS at 35.7 an increase of 4.1 over last year
- ◆ APS for technical subjects remains over 40
- ◆ Average grade awarded B- (last year C+)
- ◆ Value added score of 0.20 (benchmarked against 2019)
- ◆ In Applied and Technical qualifications the average grade was Di and Di* respectively
- ◆ 33 students (16% of the cohort) achieved three or more subjects at grade A
- ◆ 8 students achieved three or more subjects at A*
- ◆ 60% of entries are graded at A*-B
- ◆ 8 students have been successful in their applications to Oxbridge or to study medicine
- ◆ 99% of students who applied for an FE course have been accepted on to preferred courses or were offered a reserve choice
- ◆ Over 90% of the cohort are now following a course at an institute of FE

GCSE successes

- ◆ 74.7% of students achieved a grade 4+ in En/Ma compared to 72% last year
- ◆ 51.4% of students achieved a grade 5+ in En/Ma compared to 45% last year
- ◆ 82.4% of students achieved a grade 4+ in maths compared to 81% last year
- ◆ 80.3% of students achieved a grade 4+ in En compared to 78% last year
- ◆ Estimated progress 8 score of +0.15 compared to -0.14 last year
- ◆ Maths results were again much improved on previous years with a progress 8 score of 0.35
- ◆ English results showed a strong improvement in progress 8 of 0.16 compared to last year
- ◆ Attainment 8 score of 50.3 is above last year's of 47
- ◆ Ebacc APS of 4.23 remains strong (3.99 last year), despite our intent to offer a broad curriculum and not restrict student choice
- ◆ Four students achieved an overall points score of 78+ (Where 81+ is the equivalent of 9 subjects at grade 9)
- ◆ Four students achieved an average progress score of +2.6
- ◆ Fourteen students achieved the top grades (9 or Distinction*) in five subjects
- ◆ Two students achieved top grades in all 9 subjects

ACHIEVEMENT AND PROGRESS 2019 – 2020 (continued)

GCSE successes (continued)

- ◆ 47 students achieved 7 or more passes at grade 7
- ◆ Over 200 students achieved a grade 7 in at least one subject, over half the year group
- ◆ Eleven students achieved 20+ grades above indicator
- ◆ A further 43 students were 10 or more grades above indicator
- ◆ Provision on the farm allows students to achieve nationally recognised qualifications that give students skills and knowledge to progress. These qualifications are not included in any progress 8 figures but typically achieve over three grades better than their other subjects
- ◆ The figures open slot (and therefore the overall figure) remain significantly impacted by offering courses that are appropriate, see curriculum intent, but not included in the DfE calculations
- ◆ Our SEN support students significantly closed the gap in terms of progress, from a P8 gap in 2019 of 0.7 to 0.5 in 2020
- ◆ In English, the gap has closed from around 1 in 2019 to 0.66 in 2020, and in maths from 0.5 in 2019 to 0.2 in 2020
- ◆ Attainment and 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 0.10

ACHIEVEMENT AND PROGRESS 2019 – 2020 (continued)

Whole school summary data 2018-2020

Indicator	2018	2019	2020 ⁽¹⁾
Number of students in KS4	374	390	391
Students achieving 4 or above in English and Maths	73%	72%	74.4%
Students achieving 5 or above in English and Maths	52%	45%	51.4%
% entered English Baccalaureate	37%	30%	25%
English Baccalaureate Point Score	4.22	3.99	4.23
Attainment 8 score per pupil	48.8	46.9	49.5
Progress 8 score	0.03	-0.14	0.09
Progress 8 – English component	-0.09	-0.26	-0.10
Progress 8 – maths component	0.18	0.21	0.35
Number of students at the end of advanced study	230	256	212
Academic ⁽²⁾ average points score	32.7 (C+)	31.91 (C)	35.9 (B-)
Academic value added	-0.10	-0.23	0.22
Applied General ⁽³⁾ average points score	30.62 (Dist-)	31.1 (Dist-)	35.6 (Dist)
Applied General value added	0.19	0.29	0.31
Technical ⁽⁴⁾ average points score	43.9 (Dist*-)	40.7 (Dist+)	42.1 (Dist*-)
Technical completion and attainment	1.38	0.57	NA

- (1) 2020 provisional figures.
- (2) Academic qualifications include A levels, AS levels, core maths and extended project.
- (3) Applied General qualifications are vocational and typically of the same size as an A level (or smaller).
- (4) Technical qualifications are vocational and typically larger than an A level.

FINANCIAL REVIEW

Financial report for the year

The net movement on funds for the year amounted to a decrease of £2,283,912 (2019 – £1,138,473).

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 2020 amounted to £10,026,689 (2019 – £9,794,861). Funds received in the current year included £8,933,286 (2019 – £8,099,316) related to ESFA revenue grants and £34,324 (2019 – £244,406) of ESFA capital grants. Expenditure for the period totalled £10,664,607 (2019 – £10,298,334). In addition, there was an actuarial loss on the defined benefit pension scheme of £1,646,000 (2019 – loss of £635,000).

Income from some operations was halted as the school went into lockdown in March 2020. Catering and lettings income stopped, but the associated costs for these, eg catering supplies were also reduced. Overall, income from such operations was reduced for the year compared to previous years.

The School held fund balances of £10,275,474 (2019 – £12,559,386) at 31 August 2020 which includes unrestricted funds of £325,201 (2019 – £413,546), whilst the remainder of the funds are restricted.

The results for the year are shown on page 28.

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.

FINANCIAL REVIEW (continued)

Financial and risk management objectives and policies (continued)

- ◆ 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 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 equating to unrestricted general fund and unused GAG 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 £325,201 (2019 – £413,546).

At 31 August 2020 the restricted ESFA fund was a deficit of £4,610,702 (2019 – deficit of £2,858,849). £4,713,000 (2019 – £2,932,000) 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.

FINANCIAL REVIEW (continued)

Going concern

After making appropriate enquiries and taking into consideration the impact of COVID-19, 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.

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 Sub-Committee.

FUNDRAISING

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

Principal activities to achieve this are via:

- ◆ 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 2020.

FUTURE ACTIVITIES AND PLANS

The school is looking to open an onsite nursery from September 2021. We have identified land on the main site for such a facility and received a proposal from a local provider with many other nurseries to run it. This would be on an under-lease of the land arrangement with separate access off the main secure area of the school site/buildings.

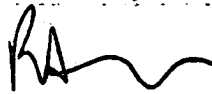
Governors' report Year ended 31 August 2020

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: Dr R A'Court

Date: 15 December 2020

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 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 Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Members/Trustees	Number of meetings attended	Out of a possible
Dr. R. A'Court (Chair, community)	4	4
Mr. O. Button	4	4
Mr. B. Farbon (Vice-chair, community)	3	4
Mr. D. Farbon	4	4
Ms. J. Galvin	1	4
Mr. R. Mintern	1	4
Mr. C. Birtwisle	2	4
Mrs C Crowther	4	4
Mr. A. Day	4	4
Mr. R. Last	4	4
Professor. J. Morris	4	4
Mrs. D. Nunn	3	4
Mr. G. Pereira	3	4
Mrs. E. Tebbutt	4	4
Mr. C. Templeman	3	4
Ms. Beth Woodward	4	4

The Governing Body has met four times during the year. The number of meetings has been considered by the Governing Body and in light of existing Committee structure and regular review of the School's finances by all governors between meetings, it was deemed that four meetings a year would be adequate.

Governance statement 31 August 2020

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)	3	3
Mr O Button	3	3
Mr B Farbon	3	3
Mr D Farbon	3	3
Professor J Morris	3	3
Mr G Pereira	2	3

Governance reviews

In the Spring of 2018 the School put into place new Articles of Association, in line with current guidelines. These were adopted at the first full governors meeting in November 2018. As a result, the Governing Body of the Academy Trust consists of five members and eleven trustees.

Review of value for Money

As Accounting Officer, the 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 2019/20 the School looked carefully at staffing requirements for teaching staff and tried to reduce it through natural wastage and taking on new staff on a part-time basis where possible. This will enable a slight reduction in the FTE for 2020/21.

In line with PPN02/2020 and PPN 04/2020 guidance, we continued to pay existing contracts in full and honour other commitments that otherwise didn't take place due to lockdown, including payment of exam invigilators and students who support other students.

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; and

Governance statement 31 August 2020

Review of value for Money (continued)

- ♦ 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; and
- ♦ The annual review of planning objectives of the development plan.

Relevant documentation include:

- ♦ OFSTED Inspection Reports;
- ♦ The school Self-Evaluation Form – (SEF);
- ♦ Reports of meetings of the Governing Body's sub committees;
- ♦ Reports of meetings of the full Governing Body meetings;
- ♦ The annual report to parents; and
- ♦ The 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 2020 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 2020 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:

Governance statement 31 August 2020

The risk and control framework (continued)

- ◆ 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.

As the Trust uses different firms for internal and external audit services, these arrangements are not affected by the newly revised ethical standard.

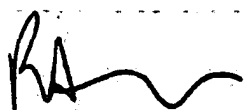
Review of effectiveness

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

- ◆ the work of the Responsible Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Leadership Team within the 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: Dr R A'Court



Headteacher and Accounting Officer:
Mr O Button

Approved on: 15 December 2020

Statement on regularity, propriety and compliance 31 August 2020

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 2019.

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 2019.

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.



Headteacher and Accounting Officer: Mr O Button

Date: 15 December 2020

Statement of governors' responsibilities 31 August 2020

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:

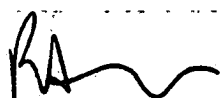
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom 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: Dr R A'Court

Date: 15 December 2020

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 2020 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 2019 to 2020.

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 2020 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 2019 to 2020.

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 (covers the reference and administrative details, the report of the governors and strategic report and the governance statement)

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report which is also the directors' report for the purposes of company law and includes the strategic 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 (who are also the directors 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, 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 (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2020

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 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

Independent reporting accountant's report on regularity 31 August 2020

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 2019 to 31 August 2020 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: 17 December 2020

Statement of financial activities Year ended 31 August 2020
(Including Income and Expenditure Account)

	Notes	Un- restricted funds £	Restricted funds			2020 Total funds £	2019 Total funds £
			Other £	ESFA £	Fixed assets fund £		
Income from:							
Donations and capital grants	2	58,289	—	—	34,324	92,613	300,241
Charitable activities							
· Funding for the Academy's educational operations	3	—	268,396	8,695,878	—	8,964,274	8,360,391
· Teaching School	24	—	—	237,408	—	237,408	170,479
Other trading activities	4	617,475	111,303	—	—	728,778	959,587
Investments	5	3,454	162	—	—	3,616	4,163
Total income		679,218	379,861	8,933,286	34,324	10,026,689	9,794,861
Expenditure on:							
Charitable activities							
· Academy's educational operations	6	769,524	374,148	8,832,978	481,790	10,458,440	10,198,906
· Teaching School	24	—	—	206,161	—	206,161	99,428
Total expenditure	6	769,524	374,148	9,039,139	481,790	10,664,601	10,298,334
Net (expenditure) income for the year before transfers		(90,306)	5,713	(105,853)	(447,466)	(637,912)	(503,473)
Transfers between funds		1,961	—	—	(1,961)	—	—
Net (expenditure) income for the year		(88,345)	5,713	(105,853)	(449,427)	(637,912)	(503,473)
Other recognised gains (losses)							
Actuarial (losses) on defined benefit pension scheme	19	—	—	(1,646,000)	—	(1,646,000)	(635,000)
Net movement in funds		(88,345)	5,713	(1,751,853)	(449,427)	(2,283,912)	(1,138,473)
Reconciliation of funds							
Fund balances brought forward at 1 September		413,546	52,383	(2,858,849)	14,952,306	12,559,386	13,697,859
Fund balances carried forward at 31 August		325,201	58,096	(4,610,702)	14,502,879	10,275,474	12,559,386

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

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	13		14,502,879		14,894,349
Current assets					
Debtors	14	173,212		251,558	
Cash at bank and in hand		686,381		888,814	
		859,593		1,140,372	
Creditors: amounts falling due within one year	15	(373,998)		(543,335)	
Net current assets			485,595		597,037
Total assets less current liabilities			14,988,474		15,491,386
Pension scheme liability	19		(4,713,000)		(2,932,000)
Total net assets			10,275,474		12,559,386
Funds of the School					
Restricted funds					
Fixed assets fund	16		14,502,879		14,952,306
ESFA fund	16		102,298		73,151
Pension reserve	16		(4,713,000)		(2,932,000)
Other funds	16		58,096		52,383
			9,950,273		12,145,840
Unrestricted funds					
General fund	16		325,201		413,546
Total funds			10,275,474		12,559,386

The financial statements on page 29 to 55 were approved by the Governors, and authorised for issue on 15 December 2020 and are signed on their behalf by:



Chairman: Dr R A'Court

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

Statement of cash flows Year ended 31 August 2020

		2020 £	2019 £
Net cash flows from operating activities			
Net cash (used in) operating activities	A	(150,053)	(44,102)
Cash flows from investing activities	B	(52,380)	62,565
Change in cash and cash equivalents in the year		(202,433)	18,463
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September		888,814	870,351
Cash and cash equivalents at 31 August	C	686,381	888,814

A Reconciliation of expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the year (as per the statement of financial activities)	(637,912)	(503,473)
Adjusted for:		
Depreciation (note 13)	481,790	512,420
Capital grants from DfE and other capital income	(34,324)	(244,406)
Interest receivable (note 5)	(3,616)	(4,163)
Defined benefit pension scheme cost less contributions payable (note 19)	237,000	209,000
Defined benefit pension scheme finance cost (note 19)	(102,000)	54,000
Increase (decrease) in debtors	78,346	(53,324)
(Decrease) in creditors	(169,337)	(14,156)
Net cash (used in) operating activities	(150,053)	(44,102)

B Cash flows from investing activities

	2020 £	2019 £
Interest receivable	3,616	4,163
Purchase of tangible fixed assets	(90,320)	(186,004)
Capital grants from DfE	34,324	244,406
Net cash used in investing activities	(52,380)	62,565

C Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	888,814	(202,433)	686,381
Total	888,814	(202,433)	686,381

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 2019 to 2020 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. In making this assessment, the governors have considered the impact of COVID-19 and 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 2020

Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets other than leasehold 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:

Leasehold 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. 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 2020. 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 2020

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the School was subject to limits at 31 August 2020 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 2020.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Capital grants			
Capital funding – ESFA devolved formula	—	34,324	34,324
Other donations	58,289	—	58,289
	58,289	34,324	92,613

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Capital grants</i>			
Capital funding – ESFA devolved formula	—	121,646	121,646
Capital funding – ESFA Conditional Improvement Fund grant	—	122,760	122,760
<i>Other donations</i>	<i>55,835</i>	<i>—</i>	<i>55,835</i>
	55,835	244,406	300,241

Notes to the financial statements Year ended 31 August 2020

3 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	2020 Total funds £
DfE / ESFA revenue grant			
· General Annual Grant (GAG)	—	8,033,501	8,033,501
· Other ESFA Grants	—	662,377	662,377
	—	8,695,878	8,695,878
Other government grants			
· Local authority grants – RSP grants	—	24,200	24,200
· School Direct	—	51,630	51,630
· Special educational projects	—	187,471	187,471
· Bikeability	—	5,095	5,095
	—	268,396	268,396
	—	8,964,274	8,964,274

	Unrestricted funds £	Restricted funds £	2019 Total funds £
DfE / ESFA revenue grant			
· General Annual Grant (GAG)	—	7,904,690	7,904,690
· Other ESFA Grants	—	194,626	194,626
	—	8,099,316	8,099,316
Other government grants			
· Local authority grants – RSP grants	—	23,800	23,800
· School Direct	—	34,550	34,550
· Special educational projects	—	189,602	189,602
· Bikeability	—	13,123	13,123
	—	261,075	261,075
	—	8,360,391	8,360,391

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Hire of facilities	88,639	3,518	92,157
Trip income	189,852	—	189,852
Catering income	134,172	—	134,172
Miscellaneous income	156,852	107,785	264,637
Consultancy services	47,960	—	47,960
	617,475	111,303	728,778

Notes to the financial statements Year ended 31 August 2020

4 Other trading activities (continued)

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Hire of facilities</i>	140,614	5,325	145,939
<i>Trip income</i>	248,578	—	248,578
<i>Catering income</i>	164,147	—	164,147
<i>Miscellaneous income</i>	225,112	117,429	342,541
<i>Consultancy services</i>	58,382	—	58,382
	836,833	122,754	959,587

5 Income from investments

	Unrestricted funds £	Restricted funds £	2020 Total funds £
<i>Interest receivable</i>	3,454	162	3,616

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Interest receivable</i>	4,016	147	4,163

6 Expenditure

	Staff costs £	Non pay expenditure		2020 Total funds £
		Premises £	Other costs £	
<i>Charitable activities</i>				
<i>Academy's educational operations</i>				
· Direct costs	7,192,732	—	664,162	7,856,894
· Support costs (note 7)	1,038,092	1,014,283	549,171	2,601,546
· Teaching School	—	—	206,161	206,161
	8,230,824	1,014,283	1,419,494	10,664,601

	Staff costs £	Non pay expenditure		2019 Total funds £
		Premises £	Other costs £	
<i>Charitable activities</i>				
<i>Academy's educational operations</i>				
· Direct costs	6,703,349	—	674,240	7,377,589
· Support costs (note 7)	912,501	1,033,771	875,045	2,821,317
· Teaching School	—	—	99,428	99,428
	7,615,850	1,033,771	1,648,713	10,298,334

Notes to the financial statements Year ended 31 August 2020

6 Expenditure (continued)

	2020 £	2019 £
Net expenditure for the year includes:		
Operating leases	26,864	13,539
Depreciation	481,790	512,420
Fees payable to auditor		
. Statutory audit	10,865	10,600
. Non statutory audit	5,965	5,000
. Other non-audit services – current year	2,150	2,948

7 Support costs

	2020 Total funds £	2019 Total funds £
Analysis of support costs		
Support staff costs	1,038,092	912,501
Depreciation	481,790	512,420
Technology costs	87,357	68,939
Premises costs	532,493	521,351
Legal costs	13	625
Other support costs	442,821	786,933
Governance costs (note 8)	18,980	18,548
Total support costs	2,601,546	2,821,317

8 Governance costs

	2020 Total funds £	2019 Total funds £
Auditor's remuneration:		
. Audit of financial statements	10,865	10,600
. Other audits	5,965	5,000
. Other non-audit services	2,150	2,948
	18,980	18,548

Notes to the financial statements Year ended 31 August 2020

9 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

			Restricted funds			
	Notes	Un-restricted funds £	Other £	ESFA £	Fixed assets fund £	2019 Total funds £
Income from:						
Donations and capital grants	2	55,835	—	—	244,406	300,241
Charitable activities						
· Funding for the Academy's educational operations	3	—	261,075	8,099,316	—	8,360,391
· Teaching School	24	—	—	170,479	—	170,479
Other trading activities	4	836,833	122,754	—	—	959,587
Investments	5	4,016	147	—	—	4,163
Total income		896,684	383,976	8,269,795	244,406	9,794,861
Expenditure on:						
Charitable activities						
· Academy's educational operations	6	965,933	360,337	8,360,216	512,420	10,198,906
· Teaching School	24	—	—	99,428	—	99,428
Total expenditure	6	965,933	360,337	8,459,644	512,420	10,298,334
Net (expenditure) income for the year before transfers		(69,249)	23,639	(189,849)	(268,014)	(503,473)
Transfers between funds		445	—	—	(445)	—
Net (expenditure) income for the year		(68,804)	23,639	(189,849)	(268,459)	(503,473)
Other recognised gains (losses)						
Actuarial losses on defined benefit pension scheme	19	—	—	(635,000)	—	(635,000)
Net movement in funds		(68,804)	23,639	(824,849)	(268,459)	(1,138,473)
Reconciliation of funds						
Fund balances brought forward at 1 September		482,350	28,744	(2,034,000)	15,220,765	13,697,859
Fund balances carried forward at 31 August		413,546	52,383	(2,858,849)	14,952,306	12,559,386

Notes to the financial statements Year ended 31 August 2020

10 Staff

a) Staff costs

Staff costs during the year were:

	2020 Total funds £	2019 Total funds £
Wages and salaries	5,980,151	5,799,424
Social security costs	600,032	583,193
Pension costs	1,583,933	1,173,287
	8,164,116	7,555,904
Supply teacher costs	66,708	59,946
	8,230,824	7,615,850

b) 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:

Charitable activities	2020 No.	2019 No.
Teachers	91	106
Administration and support	91	88
Management	8	10
	190	204

c) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	1	—
£70,001 - £80,000	3	3
£80,001 - £90,000	—	—
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—

d) 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 £895,260 (2019 – £950,364). These benefits consisted of payments to 8 members of the senior leadership team and 2 staff governors (2019: 10 members of the senior leadership team and 2 staff governors).

11 Governors' remuneration and expenses

The Headteacher, 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 2020 was as follows:

Paid:	2020 £	2019 £
O Button, Headteacher		
Remuneration	115k-120k	—
Employer's pension contributions	25k-30k	—
S Gray, Headteacher		
Remuneration	—	100k-105k
Employer's pension contributions	—	15k-20k
A Day, staff governor and Assistant Headteacher		
Remuneration	75k-80k	70k-75k
Employer's pension contributions	15k-20k	10k-15k
C Crowther, staff governor		
Remuneration	50k-55k	45k-50k
Employer's pension contributions	10k-15k	5k-10k
D Nunn, staff governor		
Remuneration	30k-35k	30k-35k
Employer's pension contributions	5k-10k	5k-10k

No travel and subsistence expenses were reimbursed to governors during the year ended 31 August 2020 (2019 - £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 governors' and officers' indemnity from the overall insurance cost.

Notes to the financial statements Year ended 31 August 2020

13 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer Equipment £	Motor vehicles £	Total funds £
Cost/valuation					
At 1 September 2019	16,912,474	638,001	500,272	26,318	18,077,065
Additions	70,460	2,625	17,235	—	90,320
At 31 August 2020	<u>16,982,934</u>	<u>640,626</u>	<u>517,507</u>	<u>26,318</u>	<u>18,167,385</u>
Depreciation					
At 1 September 2019	2,353,247	446,031	369,466	13,972	3,182,716
Charge in period	339,659	86,993	49,874	5,264	481,790
At 31 August 2020	<u>2,692,906</u>	<u>533,024</u>	<u>419,340</u>	<u>19,236</u>	<u>3,664,506</u>
Net book value					
At 31 August 2020	<u>14,290,028</u>	<u>107,602</u>	<u>98,167</u>	<u>7,082</u>	<u>14,502,879</u>
At 31 August 2019	<u>14,559,227</u>	<u>191,970</u>	<u>130,806</u>	<u>12,346</u>	<u>14,894,349</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.

14 Debtors

	2020 £	2019 £
Trade debtors	34,231	11,668
Prepayments and accrued income	92,066	163,662
VAT Debtor	46,915	76,228
	<u>173,212</u>	<u>251,558</u>

Notes to the financial statements Year ended 31 August 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	148,124	143,777
Trade creditors	12,938	295,600
Accruals and deferred income	42,917	94,044
Other creditors	170,019	9,914
	373,998	543,335
Deferred income		
Balance at 1 September	59,073	48,055
Deferred income released in the year	(59,073)	(48,055)
Resources deferred in the year	23,938	59,073
Deferred income at 31 August	23,938	59,073

Deferred income amounting to £23,938 (2019 – £59,073) relates to deposits received from students for bus travel and trips which will take place in 2020/21.

Notes to the financial statements Year ended 31 August 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
ESFA revenue grant fund					
General Annual Grant (GAG)	2,100	8,033,501	(8,035,601)	—	—
National College Grant	71,051	237,408	(206,161)	—	102,298
Pupil premium	—	123,812	(123,812)	—	—
Other grants	—	538,565	(538,565)	—	—
Pension reserve	(2,932,000)	—	(135,000)	(1,646,000)	(4,713,000)
	<u>(2,858,849)</u>	<u>8,933,286</u>	<u>(9,039,139)</u>	<u>(1,646,000)</u>	<u>(4,610,702)</u>
Fixed assets fund					
ESFA capital grants	122,011	34,324	(14,869)	(14,463)	127,003
Capital funding – Sports Partnership Grant	24,324	—	(518)	—	23,806
Capital grants for 3G Pitch	412,062	—	(9,620)	—	402,442
Phase 2 DT Block	1,179,912	—	(46,069)	—	1,133,843
Phase 2 Connolly Hall	1,120,949	—	(22,877)	—	1,098,072
Capital grants from ESFA: 16-19 demographic growth grant	471,841	—	(15,948)	—	455,893
DfE capital grants: Condition Improvement grant	155,307	—	(14,112)	12,503	153,698
Capital grants from Local Authority: 16-19 demographic growth grant	2,359,204	—	(79,737)	—	2,279,467
Capital funded by GAG	86,715	—	(29,580)	—	57,135
School building and furniture and equipment transferred from Local Authority	8,917,981	—	(214,460)	(1)	8,703,520
Donations in kind	102,000	—	(34,000)	—	(68,000)
	<u>14,952,306</u>	<u>34,324</u>	<u>(481,790)</u>	<u>(1,961)</u>	<u>14,502,879</u>
Other funds					
Local authority grants	—	187,471	(187,471)	—	—
Redborne Sports Partnership	10,349	131,985	(121,766)	—	20,568
Bikeability	9,947	5,095	(13,207)	—	1,835
Schools Direct	—	51,630	(51,630)	—	—
Tennis and Community Sports Partnership	32,087	3,680	(74)	—	35,693
	<u>52,383</u>	<u>379,861</u>	<u>(374,148)</u>	<u>—</u>	<u>58,096</u>
Total restricted funds	<u>12,145,840</u>	<u>9,347,471</u>	<u>(9,895,077)</u>	<u>(1,647,961)</u>	<u>9,950,273</u>
Unrestricted funds					
General fund	413,546	679,218	(769,524)	1,961	325,201
Total unrestricted funds	<u>413,546</u>	<u>679,218</u>	<u>(769,524)</u>	<u>1,961</u>	<u>325,201</u>
Total funds	<u>12,559,386</u>	<u>10,026,689</u>	<u>(10,664,601)</u>	<u>(1,646,000)</u>	<u>10,275,474</u>

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 2020. There was no carry forward at 31 August 2020.

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 2020

16 Funds (continued)

Comparative information

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
ESFA revenue grant fund					
General Annual Grant (GAG)	—	7,904,690	(7,902,590)	—	2,100
National College Grant	—	170,479	(99,428)	—	71,051
Pupil premium	—	117,616	(117,616)	—	—
Other grants	—	77,010	(77,010)	—	—
Pension reserve	(2,034,000)	—	(263,000)	(635,000)	(2,932,000)
	<u>(2,034,000)</u>	<u>8,269,795</u>	<u>(8,459,644)</u>	<u>(635,000)</u>	<u>(2,858,849)</u>
Fixed assets fund					
ESFA capital grants	11,707	121,646	(10,897)	(445)	122,011
Capital funding: Sports Partnership Grant	24,842	—	(518)	—	24,324
Capital grants for 3G Pitch	421,682	—	(9,620)	—	412,062
Phase 2 DT Block	1,152,497	—	(46,069)	73,484	1,179,912
Phase 2 Connolly Hall	1,143,826	—	(22,877)	—	1,120,949
Capital grants from ESFA: 16-19 demographic growth grant	484,165	—	(19,377)	7,053	471,841
DfE capital grants: Condition Improvement grant	45,250	122,760	(12,703)	—	155,307
Capital grants from Local Authority: 16-19 demographic growth grant	2,509,766	—	(96,883)	(53,679)	2,359,204
GAG	141,250	—	(45,016)	(9,519)	86,715
School building and furniture and equipment transferred from Local Authority	9,149,780	—	(214,460)	(17,339)	8,917,981
Donations in kind	136,000	—	(34,000)	—	102,000
	<u>15,220,765</u>	<u>244,406</u>	<u>(512,420)</u>	<u>(445)</u>	<u>14,952,306</u>
Other funds					
Local authority grants	—	189,602	(189,602)	—	—
Redborne Sports Partnership	—	141,229	(130,880)	—	10,349
Bikeability	2,054	13,123	(5,230)	—	9,947
Schools Direct	—	34,550	(34,550)	—	—
Tennis and Community Sports Partnership	26,690	5,472	(75)	—	32,087
	<u>28,744</u>	<u>383,976</u>	<u>(360,337)</u>	<u>—</u>	<u>52,383</u>
Total restricted funds	<u>13,215,509</u>	<u>8,898,177</u>	<u>(9,332,401)</u>	<u>(635,445)</u>	<u>12,145,840</u>
Unrestricted funds					
General fund	482,350	896,684	(965,933)	445	413,546
Total unrestricted funds	<u>482,350</u>	<u>896,684</u>	<u>(965,933)</u>	<u>445</u>	<u>413,546</u>
Total funds	<u>13,697,859</u>	<u>9,794,861</u>	<u>(10,298,334)</u>	<u>(635,000)</u>	<u>12,559,386</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted Fixed assets fund £	Total 2020 £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	14,502,879	14,502,879
Current assets	325,201	534,392	—	859,593
Current liabilities	—	(373,998)	—	(373,998)
Pension scheme liability	—	(4,713,000)	—	(4,713,000)
Total net assets	325,201	(4,552,606)	14,502,879	10,275,474
	Unrestricted funds £	Restricted general funds £	Restricted Fixed assets fund £	Total 2019 £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	14,894,349	14,894,349
Current assets	413,546	668,869	57,957	1,140,372
Current liabilities	—	(543,335)	—	(543,335)
Pension scheme liability	—	(2,932,000)	—	(2,932,000)
Total net assets	413,546	(2,806,466)	14,952,306	12,559,386

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 2016 and of the LGPS 31 March 2019.

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

19 Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,079,497 (2019 – £735,291).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2020 was £344,000 (2019 – £299,000), of which employer's contributions totalled £270,000 (2019 – £230,000) and employees' contributions totalled £74,000 (2019 – £69,000). The agreed contribution rates for future years are 25.8% from April 2020 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 an academy trust 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 2020	At 31 August 2019
Rate of increase in salaries	3.25%	2.50%
Rate of increase for pensions in payment / inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.60%	1.90%
Inflation assumption (CPI)	2.25%	2.20%

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 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.2	20.7
Females	24.3	23.2
<i>Retiring in 20 years</i>		
Males	23.4	21.7
Females	26.1	24.7

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

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate – 0.1% decrease	227	142
Salary increase rate – 0.1% increase	17	20
Pension increase rate – 0.1% increase	208	121

Notes to the financial statements Year ended 31 August 2020

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 2020 £'000	Fair value at 31 August 2019 £'000
Equities	2,741	2,491
Corporate bonds	649	560
Property	382	339
Cash and other liquid assets	242	167
Total market value of assets	4,014	3,557

The actual return on scheme assets was £221,000 (2019 – £95,000).

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost (net of employee contributions)	504	413
Interest income	(67)	(95)
Interest cost	119	149
Total amount recognised in the SOFA	556	467

	2020 £'000	2019 £'000
Movements in the overall deficit were as follows:		
Deficit at 1 September	(2,932)	(2,034)
Current service cost	(507)	(416)
Past service cost	—	(23)
Employer's contributions	270	230
Net finance interest	102	(54)
Actuarial (losses)	(1,646)	(635)
At 31 August	(4,713)	(2,932)

	2020 £'000	2019 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September	6,489	5,338
Current service cost	504	413
Interest cost	119	149
Employee contributions	74	69
Actuarial loss	1,707	635
Benefits paid	(166)	(138)
Past service cost	—	23
At 31 August	8,727	6,489

Notes to the financial statements Year ended 31 August 2020

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:	2020 £000	2019 £000
At 1 September	3,557	3,304
Interest income	221	95
Other actuarial gain	61	—
Administration expenses	(3)	(3)
Employer contributions	270	230
Employee contributions	74	69
Benefits paid	(166)	(138)
At 31 August	4,014	3,557

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.

The academy trust did not enter into any related party transactions in the year.

21 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	—	57,537

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:

	2020 £	2019 £
Amounts due within one year	26,514	14,784
Amounts due between two and five years inclusive	93,721	43,591
	120,235	58,375

Notes to the financial statements Year ended 31 August 2020

23 Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ended 31 August 2020, the School received £19,702 (2019 – £18,742) and disbursed £15,931 (2019 – £18,114) from the fund. An amount of £12,474 (2019 – £9,673) is included in other creditors relating to undistributed funds that is repayable to ESFA.

24 Teaching school trading account

	2020 £	2019 £
Direct grant income	50,528	99,626
Other income	186,880	70,853
	<u>237,408</u>	<u>170,479</u>
Expenditure		
Direct staff costs	(206,161)	(99,428)
Surplus for all services	31,247	71,051
Teaching school balance at 1 September	71,051	—
Teaching school balance at 31 August	<u>102,298</u>	<u>71,051</u>