

BASSINGBOURN VILLAGE COLLEGE

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

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BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors

Mr D Cooper, Head Teacher (appointed 1 January 2013)
Miss V Poulter, Acting Head Teacher (appointed 1 September 2012, resigned 1 January 2013)
Mrs R Talbot, Chair of Governors¹
Ms M Dutton, Vice Chair of Governors¹
Mrs A S Butterworth, Community Governor (appointed 12 December 2012)
Mrs G Finn Leeming, Community Governor¹
Mr C Murdoch, Community Governor (resigned 24 September 2012)¹
Mr K Murphy, Community Governor¹
Ms S Ready, Staff Governor¹
Mr C Roope, Community Governor¹
Dr S Etheridge, Parent Governor (appointed 5 October 2012)
Mrs J Francis, Parent Governor (resigned 17 July 2013)¹
Mrs K French, Parent Governor
Mrs H Rees, Community Governor (resigned 30 June 2013)
Mr C Taylor, Community Governor (resigned 17 July 2013)¹
Mr N Whittingham, Parent Governor
Mr S Gair, Staff Governor
Mr A Margetts, Staff Governor

1 Member of Finance and Environment Committee

**Company registered
number**

07729237

**Principal and registered
office**

Bassingbourn Village College
South End
Bassingbourn
Royston
Hertfordshire
SG8 5NJ

Company secretary

Ms S Smith

Independent auditors

Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers

Barclays PLC
23 High Street
Royston
Hertfordshire
SG8 9AB

Tesco Bank
PO Box 27017
Broadway One
199 Renfield Street
Glasgow
G2 9FH

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors present their annual report together with the financial statements and auditors' report for the period ended 31 August 2013. The Governors confirm that the annual report and financial statements comply with the current statutory requirements, the requirements of the company's governing document, the Education Funding Agency (EFA) accounts guidance and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

Bassingbourn Village College (the "Charitable Company" or the "Academy") is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents.

The Governors act as the Trustees for the charitable activities of the Academy and are also the Directors for the purposes of company law.

Details of the Governors who served throughout the year except as noted are included in the reference and administrative details on page 1.

Members and members' liability

Members of the Academy Trust are the Chair of Governors, the Vice Chair of Governors, the Chair of Finance and one Governor appointed under Article 16 of the Articles of Association.

Each Member undertakes to contribute to its assets 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 amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Governors' indemnities

Governors are covered by indemnity insurance purchased at the Academy's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy. Such indemnity will not apply to any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not; nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust.

Principal activities

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. The Academy is constituted as an 11-16 school for the year to 31 August 2013.

Method of recruitment and appointment or election of governors

- Parent Governors are appointed by election of parents of students attending the Academy.
- Staff Governors are appointed by election of staff employed by the Academy.
- Community Governors may be appointed by the Governing Body.
- Co-opted Governors may be appointed by those Governors who are not themselves co opted Governors.
- The Principal automatically becomes an ex officio Governor.
- Further Governors may be appointed by the Secretary of State for Education.

Policies and procedures adopted for the induction and training of governors

Governors are appointed for a fixed term. The Principal is an ex officio member of the Governing Body. Parent Governors and the staff Governors are elected to office, or appointed if there are insufficient candidates offering themselves for election.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

New Governors are required to attend a training programme. The induction programme involves a tour of the school, meetings with students and staff, working closely with a governor mentor and the provision of policy and procedures documents that are appropriate to the role they undertake as Governors, with particular emphasis on the committee work that they will undertake. The Governing Body is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

The Governing Body maintains a Service Level Agreement with Cambridgeshire County Council's Governor Services Department. This Agreement allows for any or all of the Members of the Governing Body to attend any of the training courses provide by the County Council.

Organisational structure

At Bassingbourn Village College, the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees, as defined in the 'Academy Standing Orders'. The full Governing Body has retained responsibility for certain aspects, again as defined in the 'Standing Orders'. Members of the Senior Leadership Team (SLT), in addition to the Principal, attend Governors' meetings as appropriate.

The Governors are responsible for the strategic management of the Academy; deciding and setting key aspects of the Academy, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the delegated responsibility of the Principal and staff.

School policies are developed by senior members of the Academy's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

Mr D Cooper took up the position of Principal on 1st January 2013.

Risk management

Bassingbourn Village College maintains a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Finance and Environment Committee. The principal risks facing the Academy at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Governors report that the Academy's financial and internal controls conform to guidelines issued by the EFA and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

Principal Risks and Uncertainty

The Governors assess the principal risks and uncertainties facing the Academy as follows:

- 1) Variations year on year in the numbers of students joining the Academy at Year 7, with a possible effect upon funding levels.
- 2) Staff Retention: One of the biggest risks to the Academy lies in its failure to retain key staff. Even though there was a reasonable turnover of staff in the reporting period, Governors are pleased to report that the Academy has been successful in recruiting high quality replacements.
- 3) Material decrease in income affecting provision: The budget for 2013/14 is sound and the longer term financial plan shows good contingency against unwelcome future developments. However, there is the potential for Year 7 joiners to fall over the next 2-3 years due to the Barracks being vacant and local demographics.
- 4) Debtors: there are no material debtors
- 5) The Academy's credit rating is not in jeopardy, although it currently has no need for credit facilities

Connected organisations, including related party relationships

The Academy does not have a sponsor and is not related to any other charitable trust.

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

BASSINGBOURN VILLAGE COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Partner organisations

- Cambridgeshire County Council
- Cambridge Area Partnership : 14 – 19 education
- ESCIP: Educational provision in East and South Cambridgeshire inclusion partnership
- Comberton Trust: Teacher training
- East Anglian Gateway partnership: Teacher training
- PIXL club: Academy improvement
- Northarbour : ICT Service

Objectives and Activities

Our strength in being an effective, small, local learning community lies in the fact that our teachers are able to build close working relationships with both students and parents. Governors believe that this factor is the key to driving up student aspirations, motivation and achievement. Our aim at Bassingbourn Village College is to educate young people up to and including Year 11 to as high a standard as possible, whilst also providing them with a confidence boosting, rewarding life experience within our community setting.

Our core purpose is “ To know all our students as individuals. To provide a wide variety of opportunities and experiences through a personalised curriculum and support. To ensure rapid and sustained progress within a kind, caring and close family environment. To nurture individuals to have high aspirations, a love of learning and to become confident, responsible and independent members of society.”

Achievements and performance

The Academy continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the school. In 2013:

- 68% of students achieved 5 or more GCSEs grades A* to C, including Maths and English, and this was significantly above the national average of 58%
- 76% of students achieved 5 or more grades A* to C
- 36% of grades were at A* and A
- 41% of students achieved the English Baccalaureate

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it 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 accounting policies.

Public Benefit

The Governors confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

Financial review

Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2013, total expenditure of £3,430,127 (period ended 2012 - £3,513,815) (excluding depreciation) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £284,081 (period ended 2012 - £184,398).

BASSINGBOURN VILLAGE COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Financial position

The Academy held fund balances at 31 August 2013 of £5,455,079 (period ended 2012 - £5,297,071) comprising £5,486,338 (period ended 2012 - £5,477,796) of restricted funds, £238,741 (2012 - £138,275) of unrestricted general funds and a pension reserve deficit of £270,000 (2012 - £319,000).

The Academy is currently paying LGPS contributions at a rate sufficient to recover the deficit over a period of 20 years.

At 31 August 2012 the net book value of fixed assets was £5,225,679 (period ended 2012 - £5,439,333) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to one month's gross salary expenditure (approximately £220,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £238,741 (period ended 2012 - £138,275), which is adequate for the current levels of expenditure.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £270,000. This does not mean that an immediate liability for this amount crystallises but that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making additional contributions towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

Investment Policy

The Academy has not had, and does not currently have, sufficient cash balances to trigger the need for an investment policy. At present, all cash balances are deposited with the Academy's banks. This policy will be reviewed in the 2013-14 financial year for those funds that are being ring-fenced for future capital investments in 2014 and beyond.

Provision of Information to Auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the Charitable Company's auditors in connection with preparing their report and to establish that the Charitable Company's auditors are aware of that information.

Auditors

The auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the FGB meeting.

This report was approved by the Governors on 12 December 2013 and signed on their behalf, by:

Mrs R Talbot
Chair

BASSINGBOURN VILLAGE COLLEGE
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bassingbourn Village College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr D Cooper	2	4
Miss V Poulter	4	4
Mrs R Talbot	4	4
Ms M Dutton	2	4
Mrs A S Butterworth	2	2
Mrs G Finn Leeming	4	4
Mr C Murdoch	0	0
Mr K Murphy	3	4
Mr C Roope	4	4
Dr S Etheridge	2	3
Mrs J Francis	4	4
Mrs K French	4	4
Mrs H Rees	3	3
Mr C Taylor	4	4
Mr N Whittingham	4	4
Mr S Gair	1	3
Mr A Margetts	3	3
Ms S Ready	4	4

The Finance and Environment Committee is a sub-committee of the main Governing Body. Its purpose is to address financial matters.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr D Cooper	4	4
Miss V Poulter	2	2
Mrs R Talbot	1	6
Mrs M Dutton	1	6
Mrs G Finn Leeming	3	6
Mr K Murphy	4	6
Mr C Roope	5	6
Mrs J Francis	4	5
Mr C Taylor	6	6
Ms S Ready	6	6

BASSINGBOURN VILLAGE COLLEGE
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GOVERNANCE STATEMENT (continued)

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 Academy 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 in Bassingbourn Village College for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Environment 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 George Lynn, an ex-governor, with relevant financial experience, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Reporting Officer delivered his schedule of works as planned and no material control issues were identified.

BASSINGBOURN VILLAGE COLLEGE
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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 12 December 2012 and signed on their behalf, by:

Mrs R Talbot
Chair

Mr D Cooper
Accounting officer

BASSINGBOURN VILLAGE COLLEGE
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bassingbourn Village College I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the Academy Governing Body are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012).

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

Mr D Cooper
Accounting Officer

BASSINGBOURN VILLAGE COLLEGE
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as trustees for charitable activities of Bassingbourn Village College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, United Kingdom Accounting Standards (UKGAAP) 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

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

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

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

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

Approved by order of the Governing Body on 12 December 2013 and signed on its behalf by:

Mrs R Talbot
Chair

BASSINGBOURN VILLAGE COLLEGE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BASSINGBOURN VILLAGE COLLEGE

We have audited the financial statements of Bassingbourn Village College for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

BASSINGBOURN VILLAGE COLLEGE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BASSINGBOURN VILLAGE COLLEGE

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
18 December 2013

BASSINGBOURN VILLAGE COLLEGE
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
BASSINGBOURN VILLAGE COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bassingbourn Village College during the year 1 September 2012 to 31 August 2013 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 Bassingbourn Village College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bassingbourn Village College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bassingbourn Village College and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BASSINGBOURN VILLAGE COLLEGE'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Bassingbourn Village College's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. 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 year 1 September 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

BASSINGBOURN VILLAGE COLLEGE

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
BASSINGBOURN VILLAGE COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

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 year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

18 December 2013

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred on conversion to Academy	2	-	-	-	-	5,528,677
Other voluntary income	2	6,798	139,235	-	146,033	161,575
Activities for generating funds	3	198,535	-	-	198,535	223,138
Investment income	4	2	-	-	2	325
Incoming resources from charitable activities	5	-	3,199,994	230,217	3,430,211	3,231,156
Other incoming resources		6,414	-	-	6,414	-
TOTAL INCOMING RESOURCES		211,749	3,339,229	230,217	3,781,195	9,144,871
RESOURCES EXPENDED						
Charitable activities	8	111,284	3,284,287	261,095	3,656,666	3,758,299
Governance costs	7	-	18,522	-	18,522	8,500
TOTAL RESOURCES EXPENDED	6	111,284	3,302,809	261,095	3,675,188	3,766,799
NET INCOMING RESOURCES BEFORE TRANSFERS		100,465	36,420	(30,878)	106,007	5,378,072
Transfers between Funds	17	-	(40,203)	40,203	-	-
NET INCOME FOR THE YEAR		100,465	(3,783)	9,325	106,007	5,378,072
Actuarial gains and losses on defined benefit pension schemes		-	52,000	-	52,000	(81,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		100,465	48,217	9,325	158,007	5,297,072
Total funds at 1 September 2012		138,276	(272,877)	5,431,673	5,297,072	-
TOTAL FUNDS AT 31 AUGUST 2013		238,741	(224,660)	5,440,998	5,455,079	5,297,072

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 34 form part of these financial statements.

BASSINGBOURN VILLAGE COLLEGE**(A Company Limited by Guarantee)****REGISTERED NUMBER: 07729237****BALANCE SHEET
AS AT 31 AUGUST 2013**

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		5,225,679		5,439,333
CURRENT ASSETS					
Stocks	14	14,684		16,033	
Debtors	15	69,060		70,632	
Cash at bank		585,444		281,127	
			<u>669,188</u>	<u>367,792</u>	
CREDITORS: amounts falling due within one year	16	(169,788)		(191,053)	
NET CURRENT ASSETS			<u>499,400</u>		<u>176,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,725,079</u>		<u>5,616,072</u>
Defined benefit pension scheme liability	21		(270,000)		(319,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>5,455,079</u>		<u>5,297,072</u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	17	45,340		46,123	
Restricted fixed asset funds	17	5,440,998		5,431,673	
			<u>5,486,338</u>	<u>5,477,796</u>	
Restricted funds excluding pension liability					
Pension reserve		(270,000)		(319,000)	
			<u>5,216,338</u>	<u>5,158,796</u>	
Total restricted funds					
Unrestricted funds	17		238,741		138,276
TOTAL FUNDS			<u>5,455,079</u>		<u>5,297,072</u>

The financial statements were approved by the governors, and authorised for issue, on 12 December 2013 and are signed on their behalf, by:

Mrs R Talbot
Chair

The notes on pages 18 to 34 form part of these financial statements.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	31 August 2013 £	Period Ended 31 August 2012 £
Net cash flow from operating activities	19	335,722	289,599
Returns on investments and servicing of finance - interest received		2	325
Capital expenditure		(31,407)	(8,796)
INCREASE IN CASH IN THE YEAR		<u>304,317</u>	<u>281,128</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	31 August 2013 £	Period Ended 31 August 2012 £
Increase in cash in the year	<u>304,317</u>	<u>281,128</u>
MOVEMENT IN NET FUNDS IN THE YEAR	304,317	281,128
Net funds/(debt) at 1 September 2012	<u>281,127</u>	<u>(1)</u>
NET FUNDS AT 31 AUGUST 2013	<u>585,444</u>	<u>281,127</u>

The notes on pages 18 to 34 form part of these financial statements.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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 are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	23 years straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line
Other fixed assets	-	20% straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

2. OTHER VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Assets transferred on conversion to academy	-	-	-	5,528,677
Donations	6,798	131,635	138,433	150,674
Grants	-	7,600	7,600	10,901
Subtotal	6,798	139,235	146,033	161,575
Voluntary income	6,798	139,235	146,033	5,690,252

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Hire of facilities	41,333	-	41,333	51,269
Catering income	101,088	-	101,088	101,559
Rental income	3,585	-	3,585	3,585
Other income	16,165	-	16,165	14,274
Music lessons	36,364	-	36,364	52,451
	<u>198,535</u>	<u>-</u>	<u>198,535</u>	<u>223,138</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Bank interest	2	-	2	325
	<u>2</u>	<u>-</u>	<u>2</u>	<u>325</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Bassingbourn Village Collage

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,971,660	2,971,660	3,006,297
Other DfE / EFA grants	-	312,655	312,655	68,866
Start up grant	-	-	-	25,000
	<u>-</u>	<u>3,284,315</u>	<u>3,284,315</u>	<u>3,100,163</u>
Other government grants				
Local authority grants	-	145,896	145,896	130,993
	<u>-</u>	<u>145,896</u>	<u>145,896</u>	<u>130,993</u>
	<u>-</u>	<u>3,430,211</u>	<u>3,430,211</u>	<u>3,231,156</u>

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Academy's educational operations - direct costs	2,054,510	208,928	312,069	2,575,507	2,656,254
Allocated support costs	490,155	254,748	336,256	1,081,159	1,102,045
Charitable activities	2,544,665	463,676	648,325	3,656,666	3,758,299
Governance	-	-	18,522	18,522	8,500
	2,544,665	463,676	666,847	3,675,188	3,766,799

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	6,000	6,000	6,000
Auditors' other costs	-	12,522	12,522	2,500
	-	18,522	18,522	8,500

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DIRECT COSTS				
Wages and salaries	-	1,699,527	1,699,527	1,765,356
National insurance	-	120,614	120,614	134,063
Pension cost	-	234,369	234,369	234,004
Depreciation	-	245,061	245,061	252,984
Educational supplies	37,739	165,012	202,751	182,493
Examination fees	-	45,311	45,311	53,232
Staff development	-	20,137	20,137	26,021
Other costs	7,737	-	7,737	8,101
	<u>45,476</u>	<u>2,530,031</u>	<u>2,575,507</u>	<u>2,656,254</u>
SUPPORT COSTS				
Wages and salaries	-	397,763	397,763	395,363
National insurance	-	18,256	18,256	18,596
Pension cost	-	74,136	74,136	77,444
FRS 17 adjustments	-	8,000	8,000	10,000
Technology costs	-	98,426	98,426	98,500
Travel & subsistence	-	6,803	6,803	2,298
Other costs	1,423	89,827	91,250	117,215
Recruitment & support	-	7,000	7,000	-
Maintenance of premises & machinery	-	86,145	86,145	91,582
Cleaning	-	37,207	37,207	37,702
Rates	-	13,078	13,078	12,513
Energy	-	80,033	80,033	77,472
Insurance	-	24,526	24,526	25,159
Security	-	5,495	5,495	4,304
Transport	-	624	624	1,653
Catering	64,385	-	64,385	65,343
Occupancy costs	-	9,959	9,959	10,095
Printing, postage and stationery	-	30,646	30,646	30,405
Legal and professional fees	-	27,427	27,427	26,401
	<u>65,808</u>	<u>1,015,351</u>	<u>1,081,159</u>	<u>1,102,045</u>
	<u>111,284</u>	<u>3,545,382</u>	<u>3,656,666</u>	<u>3,758,299</u>

9. NET INCOMING RESOURCES

This is stated after charging:

	31 August 2013 £	Period Ended 31 August 2012 £
Depreciation of tangible fixed assets:		
- owned by the charity	245,061	252,984
Auditors' remuneration - audit costs	6,000	6,000
Auditors' remuneration - non-audit (including EFA pilot audit fee)	12,522	2,500
	<u>263,583</u>	<u>261,484</u>

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

10. STAFF COSTS

Staff costs were as follows:

	31 August 2013 £	Period Ended 31 August 2012 £
Wages and salaries	2,081,984	2,132,949
Social security costs	138,870	152,659
Pension costs	308,505	311,448
	2,529,359	2,597,056
Supply teacher costs	15,306	27,769
	2,544,665	2,624,825

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

	31 August 2013 No.	Period Ended 31 August 2012 No.
Teachers	36	37
Administration and support	28	29
Management	5	6
	69	72
	69	72

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

	31 August 2013 No.	Period Ended 31 August 2012 No.
In the band £ 60,001 - £ 70,000	1	1
	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions amounted to £9,378 (2012 - £8,421).

11. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 5 Governors (2012 - 3) in respect of defined contribution pension schemes.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	31 August 2013 £	Period Ended 31 August 2012 £
Mr D Cooper, Principal (from 1 January 2013)	45,000-50,000	-
Mr S Gair, Staff Governor	35,000-40,000	35,000-40,000
Mr A Margetts, Staff Governor	40,000-45,000	40,000-45,000
Ms S Ready, Staff Governor	20,000-25,000	20,000-25,000
Miss V Poulter, Acting Head (to 31 December 2012)	20,000-25,000	-

During the year, no Governors received any reimbursement of expenses (2012 - £nil).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 is included within the total insurance premium for the academy, and not separately identifiable.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2012	5,537,372	36,129	51,551	67,265	5,692,317
Additions	-	13,494	862	17,051	31,407
At 31 August 2013	<u>5,537,372</u>	<u>49,623</u>	<u>52,413</u>	<u>84,316</u>	<u>5,723,724</u>
Depreciation					
At 1 September 2012	196,777	11,955	23,884	20,368	252,984
Charge for the year	196,777	12,151	14,391	21,742	245,061
At 31 August 2013	<u>393,554</u>	<u>24,106</u>	<u>38,275</u>	<u>42,110</u>	<u>498,045</u>
Net book value					
At 31 August 2013	<u><u>5,143,818</u></u>	<u><u>25,517</u></u>	<u><u>14,138</u></u>	<u><u>42,206</u></u>	<u><u>5,225,679</u></u>
At 31 August 2012	<u><u>5,340,595</u></u>	<u><u>24,174</u></u>	<u><u>27,667</u></u>	<u><u>46,897</u></u>	<u><u>5,439,333</u></u>

Included in freehold property is freehold land at a cost of £1,011,504 (2012 - £1,011,504) which is not depreciated.

The land and buildings have been included in the accounts based on the valuation provided by the EFA using depreciated replacement cost. The governors believe that the cost of obtaining a more detailed valuation outweighs the benefit.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

14. STOCKS

	2013 £	2012 £
Consumables	14,684	16,033
	<u>14,684</u>	<u>16,033</u>

15. DEBTORS

	2013 £	2012 £
Trade debtors	2,789	2,078
Other debtors	18,409	19,968
Prepayments and accrued income	47,862	48,586
	<u>69,060</u>	<u>70,632</u>
	<u>69,060</u>	<u>70,632</u>

16. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Trade creditors	27,083	53,938
Other taxation and social security	42,051	49,913
Other creditors	39,542	40,757
Accruals and deferred income	61,112	46,445
	<u>169,788</u>	<u>191,053</u>
	<u>169,788</u>	<u>191,053</u>

Deferred income

Deferred income at 1 September 2012		30,827
Resources deferred during the year		28,771
Amounts released from previous years		(30,827)
		<u>28,771</u>
Deferred income at 31 August 2013		<u>28,771</u>

Resources deferred during the year relate to grant income, voluntary contributions, and charges for traded services received in advance of the academic year 2013/14.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	138,276	211,749	(111,284)	-	-	238,741
Restricted funds						
General Annual Grant (GAG)	-	2,961,160	(2,891,252)	(40,203)	-	29,705
Educational visits	18,253	131,635	(134,253)	-	-	15,635
Golden hello	-	5,643	(5,643)	-	-	-
PAF	-	10,500	(10,500)	-	-	-
Graduate teacher programme	-	16,105	(16,105)	-	-	-
EFA pilot audit	-	15,800	(15,800)	-	-	-
EOTAS	19,471	31,214	(50,685)	-	-	-
SEN	-	114,682	(114,682)	-	-	-
Sports coordinator	-	7,600	(7,600)	-	-	-
Restricted other	8,399	-	(8,399)	-	-	-
Pupil premium	-	44,890	(44,890)	-	-	-
Pension reserve	(319,000)	-	(3,000)	-	52,000	(270,000)
	(272,877)	3,339,229	(3,302,809)	(40,203)	52,000	(224,660)
Restricted fixed asset funds						
Restricted fixed asset funds	5,430,537	-	(245,061)	40,203	-	5,225,679
Devolved formula capital	1,136	14,898	(16,034)	-	-	-
Restricted Capital Project fund	-	215,319	-	-	-	215,319
	5,431,673	230,217	(261,095)	40,203	-	5,440,998
Total restricted funds	5,158,796	3,569,446	(3,563,904)	-	52,000	5,216,338
Total of funds	5,297,072	3,781,195	(3,675,188)	-	52,000	5,455,079

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

The transfer of £40,203 represents the acquisition of fixed assets from GAG funding.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Golden hello

This funding represents incentive payments for newly appointed teachers.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

17. STATEMENT OF FUNDS (continued)

Prior Attainment Funding (PAF)

This represents additional funding for SEN pupils based on prior attainment.

Graduate teacher programme

This funding is to be used to pay for the employment costs of a graduate who wants to gain qualified teacher status while working.

EFA Pilot audit

This represents funding received for the purpose of obtaining professional assistance with EFA pilot audit exercise on financial activity for the year ended 31 March 2013

EOTAS

This represents funding for the provision of 'Education Other Than At School'.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Sports Co-ordinator

This represents funding received for the provision of sports with the local primary and secondary schools.

Other Restricted

This represents funding received from other bodies towards a specific purpose.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 26 based on the period end actuarial valuation.

Restricted Fixed Asset Funds

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

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

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SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(Losses) £	Carried forward £
General funds	138,276	211,749	(111,284)	-	-	238,741
Restricted funds	(272,877)	3,339,229	(3,302,809)	(40,203)	52,000	(224,660)
Restricted fixed asset funds	5,431,673	230,217	(261,095)	40,203	-	5,440,998
	<u>5,297,072</u>	<u>3,781,195</u>	<u>(3,675,188)</u>	<u>-</u>	<u>52,000</u>	<u>5,455,079</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	5,225,679	5,225,679	5,439,333
Current assets	240,472	213,397	215,319	669,188	367,791
Creditors due within one year	(1,731)	(168,057)	-	(169,788)	(191,053)
Provisions for liabilities and charges	-	(270,000)	-	(270,000)	(319,000)
	<u>238,741</u>	<u>(224,660)</u>	<u>5,440,998</u>	<u>5,455,079</u>	<u>5,297,072</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2013 £	Period Ended 31 August 2012 £
Net incoming resources before revaluations	106,007	5,378,072
Returns on investments and servicing of finance	(2)	(325)
Assets transferred on conversion	-	(5,683,521)
Depreciation of tangible fixed assets	245,061	252,984
Decrease/(increase) in stocks	1,349	(16,033)
Decrease/(increase) in debtors	1,573	(70,631)
(Decrease)/increase in creditors	(21,266)	191,053
FRS 17 adjustments	3,000	238,000
Net cash inflow from operations	<u>335,722</u>	<u>289,599</u>

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20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	281,127	304,317	-	585,444
Net funds	281,127	304,317	-	585,444

21. PENSION COMMITMENTS

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

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

Contributions amounting to £36,694 were payable to the schemes at 31 August 2013 (2012 - 38,106) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate

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21. PENSION COMMITMENTS (continued)

of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th ; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £126,000, of which employer's contributions totalled £102,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 25.6% for employers and 5.5 - 7.5% for employees.

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

The LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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21. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	31 August 2013 £	Period Ended 31 August 2012 £
Present value of funded obligations	(1,160,000)	(972,000)
Fair value of scheme assets	890,000	653,000
	<u> </u>	<u> </u>
Net liability	<u>(270,000)</u>	<u>(319,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	31 August 2013 £	Period Ended 31 August 2012 £
Current service cost	(97,000)	(79,000)
Interest on obligation	(42,000)	(42,000)
Expected return on scheme assets	34,000	32,000
	<u> </u>	<u> </u>
Total	<u>(105,000)</u>	<u>(89,000)</u>
	<u> </u>	<u> </u>
Actual return on scheme assets	<u>111,000</u>	<u>30,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	31 August 2013 £	Period Ended 31 August 2012 £
Opening defined benefit obligation	972,000	-
Current service cost	97,000	79,000
Interest cost	42,000	42,000
Contributions by scheme participants	24,000	23,000
Actuarial Losses	25,000	80,000
Present value of defined benefit obligation on conversion	-	748,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>1,160,000</u>	<u>972,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

21. PENSION COMMITMENTS (continued)

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

	31 August 2013 £	Period Ended 31 August 2012 £
Opening fair value of scheme assets	653,000	-
Expected return on assets	34,000	32,000
Actuarial gains and (losses)	77,000	(1,000)
Contributions by employer	102,000	97,000
Contributions by employees	24,000	23,000
Fair value of scheme assets on conversion	-	502,000
	<u>890,000</u>	<u>653,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was a £52,000 gain (2012 - £81,000 loss).

The Academy expects to contribute £102,000 to its Defined Benefit Pension Scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
Equities	69.00 %	71.00 %
Bonds	15.00 %	16.00 %
Property	7.00 %	7.00 %
Cash	9.00 %	6.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	5.80 %	4.80 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

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

	2013	2012
Retiring today		
Males	21.0	21.0 years
Females	23.6	23.8 years
Retiring in 20 years		
Males	22.9	22.9 years
Females	25.7	25.7 years

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(1,160,000)	(972,000)
Scheme assets	890,000	653,000
	(270,000)	(319,000)
Deficit	(270,000)	(319,000)
Experience adjustments on scheme assets	77,000	(1,000)

22. OPERATING LEASE COMMITMENTS

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Within 1 year	-	1,600
Between 2 and 5 years	38,567	40,534
	38,567	40,534

There were no commitments under non-cancellable operating leases relating to land and buildings.

23. RELATED PARTY TRANSACTIONS

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

There were no related party transactions during the year to 31 August 2013