

BASSINGBOURN VILLAGE COLLEGE

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Members	Mrs R Talbot, Chair of Governors (resigned 31 August 2014) ¹ Mr K Murphy, Chair of Governors ¹ Ms M Dutton, Vice Chair of Governors (resigned 31 August 2014) ¹ Mrs A Butterworth, Vice Chair of Governors
Trustees	Mrs K French, Parent Governor ¹ Mr D Cooper, Principal ¹ Mrs G Finn Leeming, Community Governor (resigned 30 September 2014) ¹ Ms S Ready, Staff Governor ¹ Mr C Roope, Community Governor ¹ Dr S Etheridge, Parent Governor (resigned 13 January 2014) Mr N Whittingham, Parent Governor Mr S Gair, Staff Governor ¹ Mr A Margetts, Staff Governor Mr J Dow, Parent Governor (appointed 9 October 2013) Mr P Nussey, Parent Governor (appointed 9 October 2013) Mrs G Collins, Parent Governor (appointed 9 October 2013, resigned 31 March 2014) Mr S Sagers, Parent Governor (appointed 23 April 2014)

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

Accounting officer Mr D Cooper

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
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the financial statements and auditors' report for the period ended 31 August 2014. 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 2014.

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 2014

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 provided 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 expenditure budget for 2014/15 exceeds our income, the difference is covered by the Academy's reserves. The longer term financial plan shows reasonable 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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 2014:

- 72% of students achieved 5 or more GCSEs grades A* to C, including Maths and English, and this was significantly above the previous national average of 60%
- 80% of students achieved 5 or more grades A* to C
- 37% of grades were at A* and A

Key Performance Indicators

Key financial performance indicators include monitoring the academy's actual expenditure in comparison to the agreed budget set at the beginning of each academic year. The effect of any variances are closely monitored in relation to the effect they may have on the Academy's carried forward reserves and it's ability to fulfil it's primary objectives under the funding agreement with the Secretary of State and the Articles of Association.

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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2014, total expenditure of £3,255,360 (year ended 2013 - £3,430,127) (excluding depreciation) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £97,936 (year ended 2013 - £99,682).

Financial position

The Academy held fund balances at 31 August 2014 of £5,793,470 (2013 - £5,455,078) comprising £5,877,786 (2013 - £5,486,338) of restricted funds, £292,684 (2013 - £238,741) of unrestricted general funds and a pension reserve deficit of £377,000 (2013 - £270,000).

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

At 31 August 2014 the net book value of fixed assets was £5,768,454 (2013 - £5,225,679) 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 Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £292,684 (2013 - £238,741), 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 £377,000. 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 2014-15 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, incorporating the Strategic Report, was approved by order of the Governing Body, as the company directors, on 20 November 2014 and signed on the board's behalf by:

Mr K Murphy
Chair

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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 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mrs R Talbot	3	5
Mr K Murphy	5	5
Ms M Dutton	2	5
Mrs A Butterworth	4	5
Mrs K French	5	5
Mr D Cooper	5	5
Mrs G Finn Leeming	2	5
Ms S Ready	5	5
Mr C Roope	4	5
Dr S Etheridge	0	3
Mr N Whittingham	3	5
Mr S Gair	1	5
Mr A Margetts	4	5
Mr J Dow	2	4
Mr P Nussey	4	4
Mrs G Collins	2	2
Mr S Saggars	1	1

Governance reviews:

Governance is reviewed on an annual basis (first FGB of each academic year), this includes the committee structure, The Link governor scheme and the terms of reference.

The Finance and Environment Committee is a sub-committee of the main Governing Body. Its purpose is to address financial matters. During the year the committee has closely monitored the running of the Sports hall capital building project and the ICT service agreement.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr D Cooper	5	6
Mr S Gair	0	6
Ms S Ready	6	6
Mrs K French	6	6
Mr C Roope	4	6
Mrs G Finn Leeming	1	6
Mr K Murphy	5	6
Ms M Dutton	0	6

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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 2013 to 31 August 2014 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 2013 to 31 August 2014 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 to appoint Price Bailey LLP, the external auditors, to perform additional checks.

The role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. These were completed in 2 stages over the year and the final report was received in July 2014.

Price Bailey delivered their additional schedule of works as planned and no material control issues were identified.

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 internal and 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 20 November 2014 and signed on its behalf, by:

Mr K Murphy
Chair

Mr D Cooper
Accounting officer

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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 (2013).

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 (2013).

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 Governing Body and EFA.

Mr D Cooper
Accounting Officer

Date: 20 November 2014

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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 (including the Strategic 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 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 20 November 2014 and signed on its behalf by:

Mr K Murphy
Chair

BASSINGBOURN VILLAGE COLLEGE
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BASSINGBOURN VILLAGE COLLEGE

We have audited the financial statements of Bassingbourn Village College for the year ended 31 August 2014 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 to 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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 to 2014 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, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS 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
26 November 2014

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 to 2014, 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 2013 to 31 August 2014 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 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 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 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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 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 to 2014 issued by 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.

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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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mr Gary Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

Date: 26 November 2014

BASSINGBOURN VILLAGE COLLEGE
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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	6,250	128,917	-	135,167	146,033
Activities for generating funds	3	196,037	-	-	196,037	198,535
Investment income	4	2,720	-	-	2,720	2
Incoming resources from charitable activities	5	-	3,110,195	497,107	3,607,302	3,430,211
Other incoming resources		-	-	-	-	6,414
TOTAL INCOMING RESOURCES		205,007	3,239,112	497,107	3,941,226	3,781,195
RESOURCES EXPENDED						
Charitable activities		151,063	3,080,402	261,169	3,492,634	3,656,666
Governance costs	7	-	9,200	-	9,200	18,522
TOTAL RESOURCES EXPENDED	6	151,063	3,089,602	261,169	3,501,834	3,675,188
NET INCOMING RESOURCES BEFORE TRANSFERS						
		53,944	149,510	235,938	439,392	106,007
Transfers between Funds	17	-	(91,518)	91,518	-	-
NET INCOME FOR THE YEAR		53,944	57,992	327,456	439,392	106,007
Actuarial gains and losses on defined benefit pension schemes		-	(101,000)	-	(101,000)	52,000
NET MOVEMENT IN FUNDS FOR THE YEAR		53,944	(43,008)	327,456	338,392	158,007
Total funds at 1 September 2013		238,740	(224,660)	5,440,998	5,455,078	5,297,071
TOTAL FUNDS AT 31 AUGUST 2014		292,684	(267,668)	5,768,454	5,793,470	5,455,078

All activities relate to continuing operations.

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

The notes on pages 17 to 31 form part of these financial statements.

BASSINGBOURN VILLAGE COLLEGE**(A Company Limited by Guarantee)****REGISTERED NUMBER: 07729237****BALANCE SHEET
AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	13		5,768,454		5,225,679
CURRENT ASSETS					
Stocks	14	16,945		14,684	
Debtors	15	154,669		69,059	
Cash at bank		654,304		585,444	
		<u>825,918</u>		<u>669,187</u>	
CREDITORS: amounts falling due within one year	16	(423,902)		(169,788)	
NET CURRENT ASSETS			<u>402,016</u>		<u>499,399</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,170,470</u>		<u>5,725,078</u>
Defined benefit pension scheme liability	22		<u>(377,000)</u>		<u>(270,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>5,793,470</u></u>		<u><u>5,455,078</u></u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	17	109,332		45,340	
Restricted fixed asset funds	17	5,768,454		5,440,998	
		<u>5,877,786</u>		<u>5,486,338</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(377,000)</u>		<u>(270,000)</u>	
Total restricted funds			<u>5,500,786</u>		<u>5,216,338</u>
Unrestricted funds	17		<u>292,684</u>		<u>238,740</u>
TOTAL FUNDS			<u><u>5,793,470</u></u>		<u><u>5,455,078</u></u>

The financial statements were approved by the governors, and authorised for issue, on 20 November 2014 and are signed on their behalf, by:

Mr K Murphy
Chair

The notes on pages 17 to 31 form part of these financial statements.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	855,389	335,722
Returns on investments and servicing of finance - interest received	20	2,720	2
Capital expenditure	20	(789,249)	(31,407)
INCREASE IN CASH IN THE YEAR		68,860	304,317

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase in cash in the year	68,860	304,317
MOVEMENT IN NET FUNDS IN THE YEAR	68,860	304,317
Net funds at 1 September 2013	585,444	281,127
NET FUNDS AT 31 AUGUST 2014	654,304	585,444

The notes on pages 17 to 31 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 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. 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 to 2014 issued by 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

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.

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.

1.4 Resources expended

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.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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
Office equipment	-	20% straight line
Computer equipment	-	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.

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.

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 22, 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.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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 FRS17 adjustments in the summary of support costs. 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 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	6,250	128,917	135,167	138,433
Grants	-	-	-	7,600
	<u>6,250</u>	<u>128,917</u>	<u>135,167</u>	<u>146,033</u>
Voluntary income	<u>6,250</u>	<u>128,917</u>	<u>135,167</u>	<u>146,033</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	35,677	35,677	41,333
Catering income	108,800	108,800	101,088
Rental income	3,585	3,585	3,585
Other income	18,305	18,305	16,165
Music lessons	29,670	29,670	36,364
	<u>196,037</u>	<u>196,037</u>	<u>198,535</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	2,720	-	2,720	2
	<u>2,720</u>	<u>-</u>	<u>2,720</u>	<u>2</u>

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	2,893,112	2,893,112	2,971,660
Other DfE / EFA grants	63,503	63,503	82,438
Capital grants	497,107	497,107	230,217
	<u>3,453,722</u>	<u>3,453,722</u>	<u>3,284,315</u>
Other government grants			
Local authority grants	153,580	153,580	145,896
	<u>153,580</u>	<u>153,580</u>	<u>145,896</u>
	<u>3,607,302</u>	<u>3,607,302</u>	<u>3,430,211</u>

6. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Academy's educational operations - direct costs	2,023,573	246,474	245,571	2,515,618	2,560,482
Allocated support costs	459,140	239,722	278,154	977,016	1,096,184
Charitable activities	<u>2,482,713</u>	<u>486,196</u>	<u>523,725</u>	<u>3,492,634</u>	<u>3,656,666</u>
Governance	<u>-</u>	<u>-</u>	<u>9,200</u>	<u>9,200</u>	<u>18,522</u>
	<u>2,482,713</u>	<u>486,196</u>	<u>532,925</u>	<u>3,501,834</u>	<u>3,675,188</u>

7. GOVERNANCE COSTS

	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	6,000	6,000
Auditors' other costs	3,200	12,522
	<u>9,200</u>	<u>18,522</u>

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,665,614	1,684,221
National insurance	125,829	120,614
Pension cost	232,130	227,605
Depreciation	246,474	245,061
Educational supplies	162,475	194,490
Examination fees	48,376	45,311
Staff development	18,695	20,137
Other costs	994	7,737
Supply teaching	15,031	15,306
	2,515,618	2,560,482
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	353,761	397,763
National insurance	16,926	18,256
Pension cost	88,453	80,900
FRS 17 adjustments	1,000	8,000
Technology costs	97,844	106,687
Travel & subsistence	13,160	6,803
Other costs	62,530	91,250
Recruitment & support	-	7,000
Maintenance of premises & machinery	53,929	86,145
Cleaning	36,463	37,207
Rates	23,895	13,078
Energy	67,917	80,033
Insurance	26,330	24,526
Security	3,719	5,495
Transport	1,042	624
Catering	63,915	64,385
Occupany costs	11,268	9,959
Bank Interest & Charges	547	-
Printing, postage and stationery	29,058	30,646
Legal and professional fees	25,259	27,427
	977,016	1,096,184
	3,492,634	3,656,666

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	246,474	245,061
Auditors' remuneration - audit costs	6,000	6,000
Auditors' remuneration - non-audit (including 2013 EFA pilot audit fee)	3,200	12,522
Operating lease rentals:		
- other operating leases	38,567	42,134
	38,567	42,134

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,019,375	2,081,984
Social security costs	142,755	138,870
Other pension costs (Note 22)	320,583	308,505
	2,482,713	2,529,359
Supply teacher costs	15,031	15,306
	2,497,744	2,544,665

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	36	36
Administration and support	28	28
Management	4	5
	68	69

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £ 60,001 - £ 70,000	0	1
In the band £ 70,001 - £ 80,000	1	0
	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions amounted to £10,110 (2013 - £9,378).

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. GOVERNORS' REMUNERATION AND EXPENSES

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, including pension contributions, was as follows:

	2014 £	2013 £
Mr D Cooper, Principal (from 1 January 2013)	80,000-85,000	45,000-50,000
Mr S Gair, Staff Governor	45,000-50,000	35,000-40,000
Mr A Margetts, Staff Governor	45,000-50,000	40,000-45,000
Ms S Ready, Staff Governor	25,000-30,000	20,000-25,000
Miss V Poulter, Acting Principal (to 31 December 2012)		20,000-25,000

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2013	5,537,372	49,623	52,413	84,316	5,723,724
Additions	593,388	24,684	100,537	70,640	789,249
At 31 August 2014	<u>6,130,760</u>	<u>74,307</u>	<u>152,950</u>	<u>154,956</u>	<u>6,512,973</u>
Depreciation					
At 1 September 2013	393,554	24,106	38,275	42,110	498,045
Charge for the year	201,223	11,646	7,483	26,122	246,474
At 31 August 2014	<u>594,777</u>	<u>35,752</u>	<u>45,758</u>	<u>68,232</u>	<u>744,519</u>
Net book value					
At 31 August 2014	<u>5,535,983</u>	<u>38,555</u>	<u>107,192</u>	<u>86,724</u>	<u>5,768,454</u>
At 31 August 2013	<u>5,143,818</u>	<u>25,517</u>	<u>14,138</u>	<u>42,206</u>	<u>5,225,679</u>

Included in freehold property is freehold land at a cost of £1,011,504 (2013 - £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 2014

14. STOCKS

	2014 £	2013 £
Consumables	16,945	14,684
	<u>16,945</u>	<u>14,684</u>

15. DEBTORS

	2014 £	2013 £
Trade debtors	7,746	2,789
Other debtors	111,675	18,408
Prepayments and accrued income	35,248	47,862
	<u>154,669</u>	<u>69,059</u>

16. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	42,041	27,083
Other taxation and social security	75,642	42,051
Other creditors	2,770	39,542
Accruals and deferred income	303,449	61,112
	<u>423,902</u>	<u>169,788</u>

Deferred income

Deferred income at 1 September 2013		28,771
Resources deferred during the year		69,167
Amounts released from previous years		(28,771)
		<u>69,167</u>
Deferred income at 31 August 2014		<u>69,167</u>

Resources deferred during the year relate to grant income, voluntary contributions, and charges for traded services received in advance of the academic year 2014/15.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	238,740	205,007	(151,063)	-	-	292,684
Restricted funds						
General Annual Grant (GAG)	29,705	2,893,112	(2,746,488)	(91,518)	-	84,811
Educational visits	15,635	119,948	(111,062)	-	-	24,521
EOTAS	-	66,357	(66,357)	-	-	-
SEN	-	87,223	(87,223)	-	-	-
Pupil premium	-	63,503	(63,503)	-	-	-
Other restricted funds	-	8,969	(8,969)	-	-	-
Pension reserve	(270,000)	-	(6,000)	-	(101,000)	(377,000)
	<u>(224,660)</u>	<u>3,239,112</u>	<u>(3,089,602)</u>	<u>(91,518)</u>	<u>(101,000)</u>	<u>(267,668)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	5,225,679	-	(246,474)	789,249	-	5,768,454
Restricted Capital Project fund	215,319	482,412	-	(697,731)	-	-
Devolved Formula Capital	-	14,695	(14,695)	-	-	-
	<u>5,440,998</u>	<u>497,107</u>	<u>(261,169)</u>	<u>91,518</u>	<u>-</u>	<u>5,768,454</u>
Total restricted funds	<u>5,216,338</u>	<u>3,736,219</u>	<u>(3,350,771)</u>	<u>-</u>	<u>(101,000)</u>	<u>5,500,786</u>
Total of funds	<u><u>5,455,078</u></u>	<u><u>3,941,226</u></u>	<u><u>(3,501,834)</u></u>	<u><u>-</u></u>	<u><u>(101,000)</u></u>	<u><u>5,793,470</u></u>

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

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.

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.

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.

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS (continued)

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 22 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.

The Academy account for ACMF on a cash basis whilst the auditors account for it on an accruals basis.

Capital Project Fund

This represents Acadmies Capital Maintenance Funding received for specified capital projects ongoing throughout the year. The funding brought forward and incoming resources during the year relate to the construction of a new library, kitchen and canteen area. A reserve balance of £20,000 remains unspent as at the end of the financial year and has been committed by Governors to approved projects.

Devolved Formula Capital (DFC) fund

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

General Annual Grant (GAG)

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

The transfers represent the acquisition of fixed assets from GAG and capital funding.

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 2014.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General funds	238,740	205,007	(151,063)	-	-	292,684
Restricted funds	(224,660)	3,239,112	(3,089,602)	(91,518)	(101,000)	(267,668)
Restricted fixed asset funds	5,440,998	497,107	(261,169)	91,518	-	5,768,454
	<u>5,455,078</u>	<u>3,941,226</u>	<u>(3,501,834)</u>	<u>-</u>	<u>(101,000)</u>	<u>5,793,470</u>

BASSINGBOURN VILLAGE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	5,768,454	5,768,454	5,225,679
Current assets	287,381	538,537	-	825,918	669,188
Creditors due within one year	-	(423,902)	-	(423,902)	(169,788)
Provisions for liabilities and charges	-	(377,000)	-	(377,000)	(270,000)
	<u>292,684</u>	<u>(267,668)</u>	<u>5,768,454</u>	<u>5,793,470</u>	<u>5,455,078</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	439,392	106,007
Returns on investments and servicing of finance	(2,720)	(2)
Depreciation of tangible fixed assets	246,474	245,061
(Increase)/decrease in stocks	(2,261)	1,349
(Increase)/decrease in debtors	(85,610)	1,573
Increase/(decrease) in creditors	254,114	(21,266)
FRS 17 adjustments	6,000	3,000
Net cash inflow from operations	<u>855,389</u>	<u>335,722</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>2,720</u>	<u>2</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(789,249)</u>	<u>(31,407)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	585,444	68,860	-	654,304
Net funds	<u>585,444</u>	<u>68,860</u>	<u>-</u>	<u>654,304</u>

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22. 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 2013.

Contributions amounting to £36,325 were payable to the schemes at 31 August 2014 (2013 - 36,694) 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years outside of the 10 year protection.

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22. PENSION COMMITMENTS (continued)

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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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 2014 was £125,000, of which employer's contributions totalled £101,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 21% (22% from April 2015) for employers and 5.5 - 12.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,425,000)	(1,160,000)
Fair value of scheme assets	1,048,000	890,000
	<u> </u>	<u> </u>
Net liability	(377,000)	(270,000)
	<u> </u>	<u> </u>

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

	2014 £	2013 £
Current service cost	(106,000)	(97,000)
Interest on obligation	(56,000)	(42,000)
Expected return on scheme assets	55,000	34,000
	<u> </u>	<u> </u>
Total	(107,000)	(105,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	106,000	111,000
	<u> </u>	<u> </u>

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

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

	2014 £	2013 £
Opening defined benefit obligation	1,160,000	972,000
Current service cost	106,000	97,000
Interest cost	56,000	42,000
Contributions by scheme participants	24,000	24,000
Actuarial Losses	92,000	25,000
Benefits paid	(13,000)	-
	<u>1,425,000</u>	<u>1,160,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	890,000	653,000
Expected return on assets	55,000	34,000
Actuarial gains and (losses)	(9,000)	77,000
Contributions by employer	101,000	102,000
Contributions by employees	24,000	24,000
Benefits paid	(13,000)	-
	<u>1,048,000</u>	<u>890,000</u>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities was £130,000 (2013 - £29,000).

The Academy expects to contribute £88,000 to its Defined Benefit Pension Scheme in 2015.

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

	2014	2013
Equities	74.00 %	69.00 %
Bonds	16.00 %	15.00 %
Property	7.00 %	7.00 %
Cash	3.00 %	9.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.60 %	5.80 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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22. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.5	21.0
Females	24.5	23.6
Retiring in 20 years		
Males	24.4	22.9
Females	26.9	25.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,425,000)	(1,160,000)	(972,000)
Scheme assets	1,048,000	890,000	653,000
Deficit	(377,000)	(270,000)	(319,000)
Experience adjustments on scheme assets	(9,000)	77,000	(1,000)

23. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	41,550	38,567
	41,550	38,567

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

24. 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 2014.

25. 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.