

financial statements

Sawston Village College

Company Limited by Guarantee

For the period ended 31 August 2012

Company registration number: 07627138

Sawston Village College, Company number 07627138
Company Limited by Guarantee

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Period ended 31 August 2012

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Sawston Village College, Company number 07627138
Company Limited by Guarantee

Reference and Administration Details

Period ended 31 August 2012

Company Registration Number 07627138

Principal and Registered Office New Road
Sawston
Cambridge
CB22 3BP

Governors Mr D Lamkin* - appointed 1 June 2011
Mr B Ashurst* - appointed 1 June 2011
Mr M Postle – appointed 1 June 2011
Mr R Cowling* – appointed 1 June 2011

* members of the Finance and General Purpose Committee

Company Secretary Mr B Croft

Senior Management Team Mr J Culpin – Principal
Mr J Russell – Deputy Principal
Mr J Woodcock – Assistant Principal
Mrs F Dickens – Assistant Principal
Mrs H Marsh – Assistant Principal

Auditor MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
Boundary House
4 County Place
Chelmsford
CM2 0RE

Bankers Barclays Bank plc
21 High Street
Sawston
Cambridge
CB22 3BG

Solicitors Baker Small
Exchange House
494 Midsummer Boulevard
Milton Keynes
MK9 2EA

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Governor's Annual Report

Period ended 31 August 2012

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on page 1 of the financial statements.

The governors

The governors who served the academy during the period were as follows:

Mr D R Lamkin – Chair	appointed 1 June 2011	
Mr B Ashurst	appointed 1 June 2011	
Mr M Postle	appointed 1 June 2011	
Mr R Cowling	appointed 1 June 2011	
Mrs C Davidson	appointed 1 June 2011	
Dr C Preston	appointed 1 June 2011	
Mrs J Worster	appointed 1 June 2011	
Mrs J Bennett	appointed 1 June 2011	
Mr S Mastin	appointed 1 June 2011	Resigned 20 July 2012
Mrs J Moore	appointed 1 June 2011	Resigned 20 July 2012
Mr M Dawe	appointed 1 June 2011	
Mr N Dawson	appointed 1 June 2011	
Dr S Fitzgerald	appointed 1 June 2011	
Mr P Jones	appointed 1 June 2011	
Mr D Bard	appointed 1 June 2011	
Dr G Kenney	appointed 1 June 2011	
Mrs P Stanton	appointed 1 June 2011	
Mr V Kitay	appointed 6 February 2012	

The Principal, Mr J M Culpin served on the Governing Body throughout the year.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Governors act as the trustees for the charitable activities of Sawston Village College and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sawston Village College.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details as above.

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Period ended 31 August 2012

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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

The academy has in place Public Liability insurance which includes insurance cover for Governors as individuals and as a body whilst carrying out their role on the Governing Body. The insurance provides £2m of liability insurance cover for claims made by third parties arising from decisions or actions taken by the Governing Body or individual governors acting in good faith within the scope of their duties as governors. The principal exclusions are for claims arising from:

1. Fraud or dishonesty;
2. Deliberate actions that lead to a loss;
3. Illegal or immoral acts.

Principal Activities

The provision of Secondary Education to the state sector and sports facilities to the general public.

Method of Recruitment and Appointment or Election of governors

Governors are appointed to the Sawston Village College Academy Trust Board of Governors by a variety of means. Parent and staff governors are elected by the relevant constituencies to serve four year terms of office. Other governors including foundation, Trust and co-opted governors are elected or nominated to join as appropriate. There is also a representative nominated by the Local Authority. The Principal is an ex officio member of the Board.

New governors are recruited as required in line with the constitution of the Academy Board. It is considered desirable that new governors are appointed who have a depth of knowledge and experience from a range of backgrounds and if possible in areas where there may currently be a skills gap on the Board.

Policies and Procedures Adopted for the Induction and Training of governors

The college subscribes to the County Council's professional service for the training, induction and development of governors, as well as providing its own internal training. Recent training from the County Council has included dealing with personnel, safeguarding of children and resource management.

Organisational Structure

Strategic oversight of the college remains the responsibility of the Board of Governors. This includes establishing the aims and objectives of the college, reviewing performance, ensuring probity in financial conduct and auditing the safety and well being of pupils. Day to day operations of the college are delegated to the Principal and the Senior Leadership Team, supported by the Bursar. The Principal acts of the responsible Accounting Officer.

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Period ended 31 August 2012

Risk Management

The college manages a wide range of lists as part of its operations and is organised and structured to minimise risk whenever and wherever possible. The major risks the schools seeks to manage are:

- Health and safety;
- Financial;
- Resources; and
- Personnel.

Health and safety is managed through the purchase of professional advice, from the private sector and from Cambridgeshire LA, as well as robust internal procedures that have been externally tested and validated. A health and safety committee meets once a term and includes governor representation.

Financial risk can be attributed to reduction in the central government grant and decline in other sources of revenue, including the Sports Centre. Furthermore, a decline in the number of pupils coming into the school would also represent a medium and long term risk to the viability of various operations. The college manages this risk through tight financial controls, a policy of carrying a sufficient surplus to deal with year on year changes to grants and other revenue and a proactive policy to recruit pupils from beyond the catchment but in accordance with local protocols. Financial risks are subject to termly review by governors.

Resources including buildings and ICT are subject to annual reviews, long term planning and specialist advice, to prepare for renewal and replacement costs. Where appropriate the school also purchases external advice and support and the school ICT system is protected by Cambridgeshire ICT Service. Resource risk is subject termly review by governors.

Personnel risks, including industrial dispute and compensation claims are managed through the purchase of professional advice and support. Personnel risks are subject to termly review by governors.

Connected Organisations, including Related Party Relationships

The Academy Trust is a member of the Henry Morris Community Trust (HMCT), a partnership of local and national institutions dedicated to raising achievement and aspiration for young people. The strategic aims and objectives of the college are aligned with the HMCT. The college is also a member of the Cambridge Area Partnership which co-ordinates advice, guidance and transition for 14-19 education providers; is a member of the South Cambridgeshire Inclusion Partnership which seeks to reduce disengagement and exclusion from schools; and is part of a Locality Partnership with another local academy to provide children's services.

Objectives and activities

Objects and Aims

The college's aims are as follows:

Sawston Village College regards each member of the school community as a valuable individual, regardless of race, social background, gender or ability.

- a) Good relationships lie at the heart of a good school and support each individual to do his or her best academically and personally. Fairness, trust and mutual respect are essential to creating an encouraging and positive community.

- b) All members of the school community have the right to be safe, cared for and supported.
- c) Learning is a partnership of pupils, parents and school. It can only take place in a calm, ordered environment.
- d) All members of the school community have joint responsibility for the success of the school and its pupils and for building trust and a positive relationship between the College and its wider community.
- e) Working together, staff and pupils, we aim to develop a culture of excellence within the College.

Objectives, Strategies and Activities

By 2016, all lessons will be at least good with elements of outstanding, often innovative practice, which will motivate, inspire and support learners to achieve their best, in a curriculum that will encourage creativity and independent learning underpinned by core knowledge and skills. Pupils' attitudes will be characterised by respect for others, high aspirations and active engagement with the learning process, in a culture that celebrates achievement in and out of school.

As a result, Sawston Village College will have significantly raised the level of achievement so that all groups of pupils are making progress at least as good as those in the best schools nationally and, at the same time, ensuring that our young people will be equipped to lead successful and purposeful lives in the local, national and international communities in which they live, work and contribute to.

In order to achieve the Statement of Intent the following objectives will provide the focus of all activity.

- a) Improve the quality of teaching and learning
 - 1) Every lesson good or better
 - 2) Develop high quality assessment to empower learners
- b) Ensure the curriculum meets the needs of all learners
 - 1) Every pupil an independent learner
 - 2) Confident, literate learners
 - 3) Opportunity and challenge for all
- c) Strengthen leadership to improve performance and build capacity
 - 1) Develop aspiring and existing system leaders
 - 2) Strengthen self-evaluation, planning and performance
 - 3) Develop strong and effective governance
- d) Promote and sustain high standards of behaviour and inclusion
 - 1) Confirm and extend the core values of the college
 - 2) Improve behaviour to enable success for all
 - 3) Develop leading edge inclusion practice
- e) Personalise care, guidance and support
 - 1) Improve attendance
 - 2) Raise aspiration through high impact tutoring
 - 3) Strengthen approaches to pupil well-being and safety

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Governor's Annual Report

Period ended 31 August 2012

- f) Close the gaps in performance and ambition
- 1) Raise aspirations
 - 2) Improve transition for vulnerable learners
 - 3) Intervene and support for academic progression

Public Benefit

The key public benefit delivered by the Academy trust is the provision of a high quality education, as measured by examination performance, enrichment opportunities, community cohesion and a commitment to lifelong learning. We work closely with our primary school partners and other organisations including local charities and public sector bodies to achieve these aims.

Achievements and performance

The College strongly believes that it is a good school.

- The number of pupils achieving 5 GCSE grades at C and above rose considerably in 2012 and predicted to remain in line with estimates in 2013; pupils were on track to achieve strong 5 A*-C GCSE grades with English and Maths before substantial changes to grade boundaries in 2012. Progress in Maths is very good, and English results would have exceeded estimates.
- Behaviour and safety are good. The vast majority of pupils are supportive of the school and of each other. They want to do well at school and work with their teachers to do so.
- The quality of teaching and learning is good overall, with examples of outstanding teaching in most departments in the school. Teaching is increasingly based around encouraging a more independent, less didactic style of pedagogy and a better use of assessment for learning, in particular formative feedback.
- Leadership and management is strongly focused on improving the quality of teaching, and the majority of leaders are self-critical and reflective, always seeking to improve the provision available to young people and in having high expectations for pupils and staff.
- The College believes that it is outstanding in promoting social and moral learning in all of its work. Opportunities for young people at this school, in all subjects, are excellent, and they contribute in a variety of ways to school, local and international community in which they live.

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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Period ended 31 August 2012

Key Financial Performance Indicators

The key performance indicators for the college are examination outcomes. In 2012 the college achieved a very high level of performance (when measured against national performance indicators for attainment).

Main Indicators	Sawston Village College
GCSE 5A*-C	92%
GCSE 5A*-C with English and Maths	66%
Average Points Score	481.3 points
Capped Average Points Score – best 8 subjects	365.8 points
English - 3 Levels of progress	71%
Maths - 3 Levels of progress	80%
Achieving the English Baccalaureate	39%
GCSE 5 A* - G	97%
English GCSE Average Points Score	42.2 points
Maths GCSE Average Points Score	45.0 points

Financial review

The academy remains in a strong financial position although this academic year, due to demographic factors, there is a fall in pupil numbers. In essence it is the pupil numbers which drives the level of funding but the reduced funding is covered by tight budgeting and held reserves.

During the period the total restricted expenditure was covered by the recurrent grant funding from the EFA and the Governors consider that this expenditure meet the key objectives of the Academy.

As at 31 August 2012 the Unrestricted Income Fund amounted to £42,901 and the Restricted Income Fund to £729,956, excluding the Pension Scheme deficit. The Fixed Asset Fund amounted to £15,635,943.

The deficit of the Academy's share of the Local Government Pension Scheme amounted to £749,000.

As at 31 August 2012 Total Reserves amounted to £15,659,800.

Financial and Risk Management Objectives and Policies

The Academy is not aware of any financial risk that cannot be met from its current reserves.

The Academy has a Risk Management Strategy and a Risk Register in place both of which are reviewed on an on-going basis.

Principal Risks and Uncertainties

As part of the Cambridgeshire LA Sawston Village College forms part of one of the worst funded authorities in the county. Although the Government is currently looking to review the National Funding Formula the Governors are concerned that changes to the existing system will not take place and as a result additional resources will not be made available. In fact funding may be reduced due to economic pressures which will have a direct effect on teaching and learning and future investment within the academy.

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Period ended 31 August 2012

Apart from the level of funding uncertainty the other principle risk relates to suppliers and contractors who fail to deliver the required service as a result of their own financial hardship or bad management. We need therefore to ensure we are vigilant and our systems are robust.

Reserves Policy

The Academy continually reviews the need to invest funds to improve the infrastructure of the whole site ensuring the teaching and learning facilities meet the current needs.

The Governors feel it appropriate to ensure that a reserves level of approximately £500,000 should be established.

Investment Policy

The academy does not have an investment policy. All reserves are held by way of a cash balance with the bank.

Plans for future periods

The college is two years into a five year development plan. As part of that long term plan, over the next twelve months the college will be focusing on the following development priorities.

- Improving the performance of vulnerable groups at risk of underperformance including those with Free School Meals and SEN;
- Improving the literacy of pupils;
- Maintaining the focus on independence and assessment for learning;
- Ensuring that all teaching is at least good;
- Reviewing and re-focusing expectations about behaviour and safety;
- Improving SEN systems;
- Re-instating the fire damaged part of the college; and
- Investing in leadership training and support to improve performance and long term sustainability.

Auditor

In so far as the Governors are aware:

- there are no relevant audit information of which the charitable company's auditors is unaware ; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office:
New Road
Sawston
Cambridge
CB22 3BP

Signed on behalf of the governors

.....
Mr D R Lamkin, Chair of Governors

13 December 2012

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Governance Statement

Period ended 31 August 2012

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Sawston 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 Sawston 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 Statement of Governors Responsibilities. The Governing Body has formally met 4 times during the period. Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr D R Lamkin – Chair of Governors	3	4
Mr B Ashurst – Chair of Finance and Buildings	3	4
Mr M Postle - Chair of Curriculum & Development	3	4
Mr R Cowling – Chair of Personnel	3	4
Mrs C Davidson – Parent Governor	3	4
Dr C Preston – Parent Governor	3	4
Mrs J Worster – Parent Governor	4	4
Mrs J Bennett – Staff Governor	3	4
Mr S Mastin – Staff Governor	2	4
Mrs J Moore – Staff Governor	4	4
Mr M Dawe	2	4
Mr N Dawson	4	4
Dr S Fitzgerald	1	4
Mr P Jones	3	4
Mr D Bard	1	4
Dr G Kenney	3	4
Mrs P Stanton	4	4
Mr V Kitay – Appointed 6 February 2012	2	2

The Finance and Buildings Committee is a sub-committee of the main governing body. Its purpose is to act for the Governing Body in all matters relating to the governor's financial responsibilities and ensure the Governing Body has a strategic approach to its physical facilities ensuring that they are for purpose.

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Governance Statement *(continued)*

Period ended 31 August 2012

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

The Risk and Control Framework

The academy trust'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 General Purposes 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.

**Sawston Village College, Company number 07627138
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Governance Statement *(continued)*

Period ended 31 August 2012

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 Nicholas Cliffe, Chartered Accountant, to act as the Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. During this accounting period the RO provided 2 reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. Both these reports indicated that there were no material control issues arising as a result of the RO's work and as a result no remedial action is required.

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 auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust 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 General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 13 December 2012 and signed on its behalf by:

.....
Mr D R Lamkin,
Chair of Governors

.....
Mr J M Culpin,
Accounting officer

**Sawston Village College, Company number 07627138
Company Limited by Guarantee**

Statement on Governors' Responsibility

Period ended 31 August 2012

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

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

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

Mr J M Culpin,
Accounting officer

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Statement on Governors' Responsibility

Period ended 31 August 2012

The Governors (who act as trustees for charitable activities of Sawston 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 Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is 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 members of the governing body on 13 December 2012 and signed on its behalf by:

.....
Mr D R Lamkin,
Chair of Governors

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Independent Auditor's Report to the Members of Sawston Village College

Period ended 31 August 2012

We have audited the financial statements of Sawston Village College for the period ended 31 August 2012 which comprises 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors' Responsibilities set out on page 7, 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 (APB'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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

**Sawston Village College, Company number 07627138
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Independent Auditor's Report to the Members of Sawston Village College (continued)

Period ended 31 August 2012

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

JAMES GARE ACA DChA (Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor

.....

**Sawston Village College, Company number 07627138
Company Limited by Guarantee**

**Independent Auditor's Report on Regularity to the Governing Body of Sawston Village College
and the Education Funding Agency**

Period ended 31 August 2012

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

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the academy 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 the academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body and Auditors

The accounting officer is responsible, under the requirements of the academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 June 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objectives of a limited assurance engagement is to perform such procedures as to obtain information and explanations on 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 reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

**Sawston Village College, Company number 07627138
Company Limited by Guarantee**

**Independent Auditor's Report on Regularity to the Governing Body of Sawston Village College
and the Education Funding Agency**

Period ended 31 August 2012

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 June 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

JAMES GARE ACA DChA (Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor

.....

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Statement of Financial Activities (incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Period from 1 June 2011 to 31 August 2012

Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £
Incoming resources				
<i>Incoming resources from generating funds:</i>				
Voluntary income	211,625	322,696	15,986,019	16,520,340
Activities for generating funds	740,100	-	-	740,100
Investment income	3,772	-	-	3,772
<i>Incoming resources form charitable activities:</i>				
Funding for the academy's educational activities	-	6,377,357	39,836	6,417,193
Other income from educational activities	241,374	255,454	-	496,828
Total incoming resources	1,196,871	6,955,507	16,025,855	24,178,233
Resources expended				
<i>Charitable activities:</i>				
Academy's educational operations	1,153,970	6,054,768	550,515	7,759,253
Governance costs	-	21,180	-	21,180
Pension liability transferred on conversion	-	469,000	-	469,000
Total resources expended	1,153,970	6,544,948	550,515	8,249,433
Net incoming resources before transfers				
Gross transfers between funds	42,901	410,559	15,475,340	15,928,800
Net income for the period	42,901	249,956	15,635,943	15,928,800
Other recognised gains and losses				
Actuarial losses on defined benefit pension schemes	-	(269,000)	-	(269,000)
Net movement in funds	42,901	(19,044)	15,635,943	15,659,800
Reconciliation of funds				
Total funds brought forward at 1 June 2011	-	-	-	-
Total funds carried forward at 1 September 2012	42,901	(19,044)	15,635,943	15,659,800

All of the Academy's activities derive from continuing operations during the current financial period. The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared. All the above relate to continuing activities.

The accounting policies and notes on pages 21 to 40 form part of these financial statements.

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Balance Sheet

31 August 2012

	Notes	2012	
		£	£
Fixed assets			
Tangible assets	12		15,635,943
Current assets			
Debtors	13	128,554	
Cash at bank		<u>1,005,533</u>	
		1,134,087	
Creditors: amounts falling due within one year	14	<u>(361,230)</u>	
Net current assets			772,857
Total assets less current liabilities			<u>16,408,000</u>
Pensions scheme liability	24		(749,000)
Net assets including pension liability			<u>15,659,800</u>
Funds of the academy:			
Restricted income funds:			
Fixed asset fund(s)	15	15,635,943	
General fund(s)	15	729,956	
Pension Reserve	24	<u>(749,000)</u>	
Total restricted income funds			15,616,899
Unrestricted income funds			
General fund(s)	15	<u>42,901</u>	
Total unrestricted funds			42,901
Total funds			<u>15,659,800</u>

These financial statements were approved by the governors and authorised for issue on 13 December 2012, and are signed on their behalf by:

.....
 Mr D R Lamkin,
 Chair of Governors

.....
 Mr J M Culpin,
 Accounting Officer

Company Registration Number: 07627138

The accounting policies and notes on pages 21 to 40 form part of these financial statements

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Cash Flow Statement

Period from 1 June 2011 to 31 August 2012

	Notes	2012 £
Net cash inflow from operating activities	19	1,162,364
Returns on investments and servicing of finance	20	3,772
Capital expenditure	21	(160,603)
Increase in cash in the period	22	<u>1,005,533</u>

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

The accounting policies and notes on pages 21 to 40 form part of these financial statements

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Accounting Policies

Period from 1 June 2011 to 31 August 2012

Basis of accounting

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

Incoming resources

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

Grants receivable

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

Donations

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

Other income

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

Donated Services and Gifts in Kind

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

Resources expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 1 June 2011 to 31 August 2012

Charitable activities

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

Governance costs

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

Investments

The Academy's share holding in the wholly owned subsidiary, Sawston Village College Uniforms Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or the Department for Education 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 Education Funding Agency or the Department for Education.

Fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Assets transferred at inception have been included at the estimated depreciated replacement cost. Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

Impairment losses are recognised in the Statement of Financial Activities.

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 1 June 2011 to 31 August 2012

Depreciation

Depreciation is calculated on a straight line basis so as to write off the cost of an asset, less its estimated residual value, over their expected useful economic lives. No depreciation is provided on freehold land. The principal annual rates for other assets are as follows:

Freehold buildings	Estimated remaining life
Long Leasehold Property	2%
Plant & Machinery	15%
Furniture & Equipment	15%
Computer Equipment	25%

Stocks

The academy does not have centrally held stock and each department only carries minimum stock levels of teaching resources. The academies practice is to request that all teaching resources for the new academic year are delivered and invoiced just prior to the start of the new year thereby avoiding a build-up of stock. The academy therefore considers that any teaching resources unused at the year-end are considered to of low value, written off in the year of purchase and not regarded as stock.

Operating lease agreements

Rentals under operating leases are charged to educational operations in line with payment made.

Pension costs

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 1 June 2011 to 31 August 2012

Going concern

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

Taxation

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

Conversion to academy trust

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

The assets and liabilities transferred on conversion from Sawston Village College to an academy trust have been valued at their estimated depreciated replacement cost being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost is in accordance with the accounting policies set out for Sawston Village College. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as (net income / net expenditure) in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The details and valuation of fixed assets including the allocation between Land & Buildings and Other Fixed Assets is shown in note 12. Details of the pension fund transferred to the academy trust from the local authority are detailed in note 24.

Fund Accounting

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

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements

Period from 1 June 2011 to 31 August 2012

1. General Annual Grant (GAG)

£

a. Results and carry forward for the year

GAG brought forward from previous year	-
GAG allocation for current year	5,973,672
Total GAG available to spend	5,973,672
Recurrent expenditure from GAG	(5,376,776)
Fixed assets purchased from GAG	(160,603)
GAG carried forward to next year	436,293
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(716,841)
GAG to surrender to DfE (12% rule breached if result is positive)	(280,548) no breach

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

Note not applicable as first period of academy operation.

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

2. Voluntary income

	Unrestricted funds	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Donations				
Transfer from Local Authority on conversion	211,625	322,696	15,986,019	16,520,340
	211,625	322,696	15,986,019	16,520,340

3. Incoming resources from activities for generating funds

	Unrestricted funds £	Total funds £
Music tuition	86,707	86,707
Cinema income	26,681	26,681
Letting income	19,928	19,928
Sports centre	584,290	584,290
Catering	21,673	21,673
Hire income	641	641
	740,100	740,100

4. Investment income

	Unrestricted funds £	Total funds £
Bank interest receivable	3,772	3,772
	3,772	3,772

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Period from 1 June 2011 to 31 August 2012

5. Funding for academy's educational operations

	Restricted general funds	Restricted fixed assets fund	Total funds
	£	£	£
EFA revenue grants			
General Annual Grant (GAG) (note 1)	5,973,672	-	5,973,672
DfE / EFA grants	49,365	-	49,365
	6,023,037	-	6,023,037
Other Government grants			
Local authority grant	354,320	-	354,320
Special educational projects		39,836	39,836
	354,320	39,836	394,156
	6,377,357	39,836	6,417,193

6. Resources expended

	Staff costs	Premises	Other costs	Total funds
	£	£	£	£
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	-	-	-	-
<i>Academy's educational operations</i>				
Direct costs	3,771,958	-	342,918	4,114,876
Allocated support costs	1,506,816	826,608	1,310,953	3,644,377
	5,278,774	826,608	1,653,871	7,759,253
Governance costs including allocated support costs	-	-	21,180	21,180
	5,278,774	826,608	1,675,051	7,780,433

Incoming / outgoing resources for the period included:	2012
Staff pension contribution	590,159
Operating leases	6,514
Fees payable to auditors – audit	7,690
Fees payable to auditors – Other services	1,500
Depreciation	553,501
Profit/ (loss) on disposal of fixed assets	2,986

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Period from 1 June 2011 to 31 August 2012

7. Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Academy's educational operations				
<i>Direct costs</i>				
Teach and educational support staff	106,704	3,665,254	-	3,771,958
Educational supplies	-	236,407	-	236,407
Examination fees	-	87,241	-	87,241
Staff development	-	19,270	-	19,270
	106,704	4,008,172	-	4,114,876
<i>Allocated support costs</i>				
Finance and admin staff	830,563	676,253	-	1,506,816
Depreciation	-	-	553,501	553,501
Profit on sale	-	-	(2,986)	(2,986)
Pupil recruitment and support	-	39,401	-	39,401
Maintenance of premises and equipment	154,484	233,803	-	388,287
Cleaning	-	131,952	-	131,952
Rent and rates	-	254,114	-	254,114
Insurance	-	52,225	-	52,225
Security and transport	-	14,711	-	14,711
Catering	21,673	44,662	-	66,335
Bank interest & charges	420	11,000	-	11,420
Information & communication technology	-	98,721	-	98,721
Other support costs	40,126	489,754	-	528,880
	1,047,266	2,046,596	550,515	3,644,377
	1,153,970	6,054,768	550,515	7,759,253

8. Governance costs

	Restricted Funds £	Restricted fixed asset funds £	Total funds £
Audit fees	7,690	-	7,690
Legal fees	9,337	-	9,337
Responsible officer audit	1,500	-	1,500
Support costs	2,653	-	2,653
	21,180	-	21,180

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

9. Staff costs

	2012
	£
Wages and salaries	4,264,993
Social security costs	310,365
Other pension costs	596,582
	<u>5,171,940</u>
Supply teachers costs	106,834
	<u>5,278,774</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents was as follows:

	£
Teachers	60
Administration and support	55
Principal	1
	<u>116</u>

10. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors.

Principal : £74,554

Staff Governors : £124,853

During the period ended 31 August 2012 no travel and subsistence expenses or other expenses were paid to the other governors.

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Period from 1 June 2011 to 31 August 2012

11. 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, the cost of which was included in the academies Public Liability policy for the period ended 31 August 2012

12. Tangible fixed assets

	Freehold Property	Leasehold Property	Furniture & Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost / valuation						
Donated 1 June 2011	24,911,324	38,000	152,629	561,152	21,500	25,684,605
Additions	122,899	153,150	37,205	84,349	-	397,603
Disposals	-	-	-14	-	-	-14
As at 31 August 2012	25,034,223	191,150	189,820	645,501	21,500	26,082,194
Depreciation						
As at 1 June 2011	9,340,524	-	95,303	445,366	11,557	9,892,750
Charge for the year	436,412	3,830	16,844	92,384	4,031	553,501
Disposals	-	-	-	-	-	-
As at 31 August 2012	9,776,936	3,380	112,147	537,750	15,588	10,446,251
WDV 31 August 2012	15,257,287	187,320	77,673	107,751	5,912	15,635,943

13. Debtors

Trade debtors	8,559
Taxation and social security	45,457
Other debtors	56,487
Prepayments	18,051
	128,554

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

14. Creditors: Amounts falling due within one year

	£
Trade creditors	60,551
Taxation and social security	73,382
Other creditors	188,268
Deferred income	39,029
	<u>361,230</u>

Deferred income

	£
Resources deferred in the year	39,029
	<u>39,029</u>

The deferred income relates to monies received in advance of school trips and other income types, such as cinema and arts projects to be expended in the following year.

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

15. Funds

	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2012 £
Restricted general funds					
General annual grant (GAG)	5,973,672	(5,376,776)	-	(160,603)	436,293
Other DfE/EFA grants	403,685	(403,685)	-	-	-
Other restricted	578,150	(284,487)	-	-	293,663
Pension Reserve	-	(480,000)	(269,000)	-	(749,000)
	6,955,507	(6,544,948)	(269,000)	(160,603)	(19,044)
Restricted fixed asset funds					
DfE/EFA capital grant	39,836	-	-	-	39,836
Other restricted	15,986,019	(550,515)	-	-	15,435,504
Capital expenditure from GAG	-	-	-	160,603	160,603
	16,025,855	(550,515)	-	160,603	15,635,943
Total restricted funds	22,981,362	(7,095,463)	(269,000)	-	15,616,899
Unrestricted funds					
General unrestricted fund	1,196,871	(1,153,970)	-	-	42,901
Total unrestricted funds	1,196,871	(1,153,970)	-	-	42,901
Total funds	24,178,233	(8,249,433)	(269,000)	-	15,659,800

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period. The specific purposes for which the funds are to applied are as follows:

Restricted general funds and other restricted funds

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

Restricted fixed assets fund

These grants relate to capital funding to carry outworks of a capital nature

Unrestricted reserve

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

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

16. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets	-	-	15,635,943	15,635,943
Current assets	59,688	1,074,399	-	1,134,087
Current liabilities	(16,787)	(344,443)	-	(361,230)
Pension scheme liability	-	(749,000)	-	(749,000)
	42,901	(19,044)	15,635,943	15,659,800

17. Capital Commitments

Amounts contracted for but not provided in the accounts amounted to £nil.

18. Financial Commitments

Commitments under operating leases

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire	£
Within 1 year	1,275
Within 2 – 5 years- copiers	5,134
	6,409

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

	£
Net incoming resources before transfers	15,928,800
Depreciation (note 12)	553,501
Profit on disposal	(2,986)
Capital grants from DfE and other capital income	(234,000)
Fixed assets transferred from local authority on conversion	(15,791,855)
Pension transferred from local authority on conversion	469,000
Interest receivable	(3,772)
FRS 17 pension finance income (note 24)	11,000
(Increase) in debtors	(128,554)
Increase in creditors	361,230
Net cash inflow from operating activities	1,162,364

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

20. Returns on investments and servicing of finance

Interest received	£
	3,772
Net cash inflow from returns on investment and servicing of finance	<u>3,772</u>

21. Capital expenditure and financial investment

Purchase of tangible fixed assets	£
	(397,603)
Capital grants from DfE/EFA	234,000
Receipts from sale of tangible fixed assets	3,000
Net cash outflow from capital expenditure and financial investment	<u>(160,603)</u>

22. Analysis of changes in net funds

	1 Jun 11	Cash flows	31 Aug 12
	£	£	£
Cash in hand and at bank	-	1,005,533	1,005,533
	-	<u>1,005,533</u>	<u>1,005,533</u>

23. 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.

24. Pensions and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are defined-benefit schemes.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

24. Pensions and similar obligations *(continued)*

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

Sawston Village College, Company number 07627138 Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

24. Pensions and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme

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

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate range of between 20.5% and 22.9% which translated into an employee contribution rate range of between 6.4% and 8.8% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced, effective for the first time for the 2008 valuation, a 14% cap on employer contributions payable.

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £305,000, of which employer's contributions totalled £235,000 and employees' contributions totalled £70,000. The agreed contribution rates for future years are 25.8% for employers and employees contributions are dependent on the level of their full time equivalent salary ranging from 5.5% to 10.0%.

**Sawston Village College, Company number 07627138
Company Limited by Guarantee**

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

24. Pensions and similar obligations *(continued)*

Principal actuarial assumptions

	At 31 Aug 2012 %
Discount rate	4.1
Rate of increase in salaries	4.5
Rate of increase in pensions payment	2.2
Expected return on assets	4.8

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

	At 31 Aug 2012
Retiring today	
Males	21.0
Females	23.8
Retiring in 20 years	
Males	22.9
Females	25.7

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

	Expected return at 31 Aug 2012 %	Fair value at 31 Aug 2012 £
Equities	5.6	950,000
Bonds	2.8	214,000
Property	3.7	94,000
Cash	2.8	80,000
Total market value of assets		1,338,000
Present value of scheme liabilities – funded		(2,087,000)
(Deficit) in the scheme		(749,000)

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

Sawston Village College, Company number 07627138
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Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

24. Pensions and similar obligations *(continued)*

Amounts recognised in the Statement of Financial Activities

	£
Current service cost (net of employee contributions)	235,000
Total operating charge	<u>235,000</u>

Analysis of pension finance (costs)

	£
Expected return on pension scheme assets	100,000
Interest on pension liabilities	(111,000)
Pension finance (costs)	<u>(11,000)</u>

The actuarial gains and losses for the current year period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gain recognised in the Statement of Financial Activities since the adoption of FRS 17 is £269,000 loss.

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

	£
At 1 June 2011	1,509,000
Current service cost	235,000
Interest on pension liabilities	111,000
Employee contributions	70,000
Actuarial losses	162,000
Total operating charge	<u>2,087,000</u>

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

	£
At 1 June 2011	1,040,000
Expected return on pension scheme assets	100,000
Actuarial (losses)	(107,000)
Employee contributions	70,000
Employer contributions	235,000
At 31 August 2012	<u>1,338,000</u>

Reconciliation of opening and closing deficit:

	£
Pension scheme liability transferred	(469,000)
Current service cost (net of employee contributions)	(235,000)
Employer contributions	235,000
Other finance (costs)	(11,000)
Actuarial (losses)	(269,000)
Deficit at 31 August 2012	<u>(749,000)</u>

The estimated value of employer contribution for the year ended 31 August 2013 is £189,000

Sawston Village College, Company number 07627138
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Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

24. Pensions and similar obligations *(continued)*

The five year history of experience adjustments is as follows:

	£
Present value of defined benefit obligations	(2,087,000)
Fair value of share of scheme assets	1,338,000
Deficit in the scheme	<u>(749,000)</u>
Experience adjustments on share of scheme assets	
Amount	<u>(107,000)</u>
Experience adjustments on scheme liabilities	
Amount	<u>-</u>

25. Conversion to an academy trust

On 1 June 2011 Sawston Village College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sawston Village College from the Cambridgeshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net (income/resources expended) in the Statement of Financial Activities as (voluntary income/other resources expended).

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	15,608,800	15,608,800
Other tangible fixed assets	-	-	183,055	183,055
Budget surplus on LA funds	-	322,696	194,164	516,860
Budget surplus on other school funds	211,625	-	-	211,625
LGPS pension (deficit)	-	(469,000)	-	(469,000)
Net assets	<u>211,625</u>	<u>(146,304)</u>	<u>15,986,019</u>	<u>16,051,340</u>

The above net assets include £728,485 that were transferred as cash.

The school has a 125 year lease on one of the buildings. The lease commenced July 2010.

26. Ultimate controlling party

There is no ultimate controlling party.

Sawston Village College, Company number 07627138
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 June 2011 to 31 August 2012

27. Related party transactions

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