
RIDDLESDOWN COLLEGIATE
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

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RIDDLESDOWN COLLEGIATE
(A company limited by guarantee)

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

Directors

Mr P Khan, Chair of Directors (appointed 1 June 2012)^{1,3}
Mr G H Smith, Principal & Accounting Officer (appointed 1 June 2012)^{1,2}
Mr C Simpson (appointed 1 June 2012)³
Mr M Whittaker (appointed 1 June 2012)¹
Mrs S Tyler (appointed 1 June 2012)
Mrs K Myring (appointed 1 June 2012)^{2,3}
Mrs E Ash (appointed 1 June 2012)²
Mr P Todd (appointed 1 June 2012)^{1,3}
Ms W Prichard-Smith (appointed 20 January 2013)
Mrs S Anderson, Staff Director (appointed 1 June 2012)
Mr C Hotham (appointed 30 December 2012)
Mrs S Moys (appointed 1 June 2012)¹
Mr M Pain, Staff Director (appointed 1 June 2012, resigned 20 May 2013)
Mr J Trickey (appointed 1 June 2012, resigned 20 December 2012)
Mr A Davies (appointed 1 June 2012, resigned 2 October 2013)

¹ Members of the Finance and Resources committee

² Members of the Audit Committee

³ Members who signed the Funding Agreement

Company registered number

08058921

Registered office

Honister Heights, Purley, Surrey, CR8 1EX

Company secretary

Miss S Church

Chief executive officer

Mr G H Smith

Senior management team

Mr G H Smith, Principal & Accounting Officer
Mr S Dey, Senior Vice Principal
Mr D Clarke, Business Manager
Mrs K Targett, Vice Principal
Mr R Moorhouse, Vice Principal
Mr D Wilkinson, Vice Principal

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

Advisers (continued)

Independent auditors

PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London, E14 4HD

Bankers

Lloyds Bank, 95 George Street, Town Centre, Croydon, CR9 2NS

Solicitors

Veal Wasbrough Vizards LLP, Barnards Inn, 86 Fetter Lane, London, EC4A 1AD

Accountants

Bayar Hughes & Co, 4 Green Lane Business Park, 238 Green Lane, London, SE9 3TL

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Directors (who are also directors of the charity for the purposes of the Companies Act) present their report together with the audited financial statements of Riddlesdown Collegiate (the Academy) for the period 4 May 2012 to 31 August 2013. The Directors confirm that the Directors' Report and Financial Statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable company limited by guarantee and an exempt charity, and was set up by a Memorandum of Association on 4 May 2012. The Academy replaced the existing School (also known as Riddlesdown Collegiate) on 1 June 2012. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

Details of the directors who served during the year are included in the Reference and Administrative Details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

Directors are appointed in accordance with the Articles of Association and are recruited through nomination or ballot or by appointment through the Members or Academy Trust, the Riddlesdown & Woodcote Trust or the Local Authority. Up to two Directors are appointed by the Members, up to four Foundation Directors are appointed by the Riddlesdown & Woodcote Trust and one local authority Director is appointed by the local authority. Parent Directors are elected by parents of registered students at the academy. In the event of more than one nomination for a vacancy, a ballot would be held, voting is held in accordance with the Articles. Staff Directors are appointed by the Academy Trust. In the event of a vacancy, nominations are sought from eligible staff. In the event of more than one nomination, a ballot would be held in accordance with arrangements determined by the Academy Trust.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The induction and training of Directors will vary depending on the expertise and experience of the individual. All Directors receive copies of all committee meetings and will meet with key members of staff to gain an understanding of the Collegiate. The Collegiate also purchases the Governor Training Scheme from the Local Authority and subscribes to the National Governors' Association.

e. ORGANISATIONAL STRUCTURE

The Academy, Riddlesdown Collegiate, is part of an Umbrella Trust with Woodcote High School. The Riddlesdown & Woodcote Trust (RWT) appoints a minority of Directors to each of the separate Academy Trusts for the two schools. RWT is itself an exempt charity and company limited by guarantee, but carries no legal or financial responsibility for the academy or its governing body, known as Riddlesdown Collegiate Academy.

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Trust (RCAT)

RCAT consists of five Members, who have appointed a Board of fifteen Directors to which they have delegated the strategic leadership of the academy. The Board of Directors of RCAT, referred to individually as Directors, is therefore the Governing Body of Riddlesdown Collegiate. The Directors of RCAT are listed in the Reference and Administrative Details on page 1. Each of the Directors sits on one of the three main Committees of RCAT, Community Committee (CC), Curriculum and Standards Committee (C&S), Finance and Resources Committee (F&R). An Audit Committee (AC) was constituted by a resolution of RCAT on 26 January 2013.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Riddlesdown and Woodcote Trust acts as a foundation for any school within the Trust and currently consists of Riddlesdown Collegiate and Woodcote High School. The two schools each nominate a representative from their respective academy trusts who are appointed to the Riddlesdown & Woodcote Trust Board together with a representative from each of the Trust Partner organisations. Under the Trust's Articles it has the power to both appoint and remove Foundation Directors appointed to RCAT.

g. RISK MANAGEMENT

The Directors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and Activities

a OBJECTIVES, STRATEGIES AND ACTIVITIES

The principle object of the Academy is to provide education to students from the age of 11 through to 19. Working with all stakeholders the Academy provides the highest standard of education, care, support and guidance and to ensure that every student maximises their individual potential.

The Academy's main objectives are 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"), and to promote for the benefit of individuals living in Croydon and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individual, in setting the objectives and planning activities.

b. PUBLIC BENEFIT

The Directors have given careful consideration to the Charity Commissions general guidance on public benefit and believes it has conducted the Academy's business in accordance with the highest standards of integrity, probity and openness.

Achievements and performance

a GOING CONCERN

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

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.

b. KEY FINANCIAL PERFORMANCE INDICATORS

Directors have not set any specific financial indicators beyond the requirement that the financial position is reviewed regularly to ensure that the Collegiate does not operate a deficit budget. The key performance measures are non-financial but focus on the key priorities as detailed in the Collegiate's development plan.

c. REVIEW OF ACTIVITIES

The Academy this year has operated a 16 month accounting period from 4 May 2012 to 31st August 2013 and this is reflected in the accounts.

The Academy's examination results improved at both GCSE and A Level in 2013. The proportion of students in Year 11 achieving 5 or more GCSE grades A* - C (including English and Mathematics) rose to 67% (2012 - 59%), the average point score for students in Year 13 rose to 720 (2012 - 700).

A balanced budget was set for 2012/2013 and the Collegiate had surplus funds at the end of the accounting period. A balanced budget has also been set for 2013/2014.

The majority of the Academy's income has been received from the Education Funding Agency (EFA) and is shown as restricted income and used solely for the purpose of education.

On conversion to Academy status all of the assets and liabilities were transferred from London Borough of Croydon to the new Academy Trust. The land and buildings were professionally valued as at November 2012, at £2,700,000 for land and £20,450,000 for buildings. These are now shown on the Balance Sheet under restricted fixed assets funds.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors regularly monitor reserves to ensure that the Academy has sufficient funds to meet all of its obligations and that there is no disruption to the education of students. The Directors have assessed risk to which the Academy is exposed, in particular those related to the specific teaching and safeguarding of students and staff. They have in place a detailed risk register with control measures and action plans in place in order to minimise risk.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have considered the principal risks that the Academy could potentially be exposed to. A central risk register has been prepared and is reviewed regularly by Directors, which will allow the Academy to identify and respond quickly to any risks.

c. RESERVES POLICY

The Academy does not have a formalised policy on reserves. Levels of reserves are reported to Directors on a regular basis to ensure that there are sufficient levels to meet all future obligations and to not build up excessive reserve levels.

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DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Should the Academy seek to place funds into any longer term investments, the Board of Directors would be responsible for making such decisions

d. FINANCIAL REVIEW

As of 31 August 2013 the Academy held funds of £426,805 (excluding pension and fixed assets) and £1,121,119 of general unrestricted funds. The Academy's share of the LGPS pension scheme deficit at 31 August 2013 is £1,632,000 (calculated by actuaries in accordance with FRS17)

The Fixed Asset fund of £22,001,572 is not available for spending as it represents the net book value of fixed assets transferred from the predecessor school and subsequent additions and disposals thereto. Future depreciation will be charged against this fund.

e. INVESTMENTS POLICY

The Academy currently has no other investments other than funds held in the Academy's bank accounts.

Plans for the future

a. FUTURE DEVELOPMENTS

The Academy has two major construction projects that will take place in 2013/14. The first project is funded through the Academies Capital Maintenance Fund and will provide the academy with a new state of the art Performance Centre that will accommodate Art, Drama, Media and Dance. The cost of the scheme is £3.2 million. The second project is being funded through Sport England funding and a contribution from the Academy, which will update current sporting facilities and will provide floodlit netball and tennis facilities as well as refurbished changing facilities for student and local community use. The Academy will continue to offer all students the ability to achieve high standards within a secure, caring community.

The Academy has a three year Strategic Plan with the following drivers:

Strategic Driver 1 - student achievement and standards

Strategic Driver 2 - staff performance and development

Strategic Driver 3 - business planning and management

Deriving from this the Academy prepares an annual Collegiate Development Plan (CDP) which for 2013/2014 has set the following priorities:

Priority 1 - For teaching and learning over time to be at least consistently Good across the Collegiate so that the proportions of students attaining and making and exceeding expected progress compare favourably with national figures.

Priority 2 - To ensure that assessment information is used consistently well so that the proportions of students attaining and making and exceeding expected progress compare favourably with national figures.

Priority 3 - To ensure that students' attitude to learning is exemplary and skilled behaviour management is highly consistent so that the proportions of students attaining and making and exceeding expected progress compare favourably with national figures.

Priority 4 - To ensure that all leaders of teaching and learning are consistently delivering the highest standards so that the proportions of students attaining and making and exceeding expected progress compare favourably with national figures.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian trustees on behalf of others by the Academy.

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DIRECTORS' REPORT (continued)
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DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the Directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken by Directors in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

AUDITORS

The auditors, PKF Littlejohn LLP, were appointed during the period and have indicated their willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditors at a meeting of the Directors.

This report was approved by order of the Board of Directors on 9 December 2013 and signed on its behalf by



Mr P Khan,
Chair of Directors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that Riddlesdown Collegiate 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 Board of Directors 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 Riddlesdown Collegiate and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Board of Directors has formally met 5 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr P Khan, Chair of Directors	5	5
Mr G H Smith, Principal & Accounting Officer	5	5
Mr C Simpson	2	5
Mr M Whittaker	4	5
Mrs S Tyler	5	5
Mrs K Myring	3	5
Mrs E Ash	5	5
Mr P Todd	5	5
Ms W Prichard-Smith	3	3
Mrs S Anderson, Staff Director	5	5
Mr C Hotham	2	3
Mrs S Moys	5	5
Mr M Pain, Staff Director	4	4
Mr J Trickey	2	2
Mr A Davies	5	5

The **Finance and Resources Committee** is a sub-committee of the main Board of Directors. Its purpose is to ensure that funds are used in accordance with budgets set for each year, the academy's objectives and with the relevant funding agreements, and to ensure that the necessary controls are in place to safeguard the academy's assets.

Attendance at meetings in the period was as follows:

Director	Meetings attended	Out of a possible
Mr M Whittaker	8	9
Mrs S Moys	8	9
Mr P Khan, Chair of Governors	8	9
Mr G H Smith, Principal & Accounting Officer	7	9
Mr P Todd	4	4
Mr A Davies	4	4

The **Audit Committee** is also a sub-committee of the main Board of Directors. Its purpose is to provide a link between the finance team and the auditors to ensure timely completion of the audit in accordance with the EFA guidelines.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows

Director	Meetings attended	Out of a possible
Mrs E Ash	2	2
Mrs K Myring	2	2
Mr G H Smith, Principal & Accounting Officer	2	2
Mr A Davies	2	2
Mr N Wollaston (resigned June 2013)	2	2

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 Riddlesdown Collegiate for the period 4 May 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors 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 Board of Directors 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 period 4 May 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 Board of Directors,
- regular reviews by the Finance and Resources 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 Board of Directors has considered the need for a specific internal audit function and has decided to appoint Bayar Hughes & Co Ltd, as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

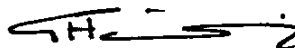
- the work of the internal auditor,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and Audit 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 Board of Directors on 9 December 2013 and signed on their behalf, by



Mr P Khan
Chair of Directors



Mr G H Smith
Accounting Officer

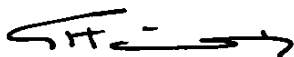
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr G H Smith
Accounting Officer

Date 9 December 2013

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

The Directors (who act as governors of Riddlesdown Collegiate and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors 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 UK 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 Directors 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 Directors 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 Directors 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 Board of Directors on 9 December 2013 and signed on its behalf by



Mr P Khan
Chair of Directors

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIDDLEDOWN COLLEGIATE

We have audited the financial statements of Riddlesdown Collegiate Academy for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the 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 Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

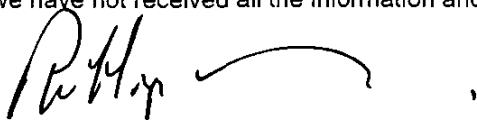
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIDDLEDOWN COLLEGIATE

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 Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Paul Hopper (Senior statutory auditor)

for and on behalf of

PKF Littlejohn LLP

Chartered Accountants

1 Westferry Circus
Canary Wharf
London
E14 4HD
18 December 2013

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INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO RIDDLEDOWN COLLEGIATE AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the period 4 May 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the Academy 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 ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 29 May 2012, and the Academies Financial Handbook extant from 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 4 May 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes -

- A review of the conclusion reached on regularity and propriety in the year, including the action taken in respect of points raised in the FMGE return,
- A review of minutes of the Governing Body and its key sub-committee,
- Checking a sample of expenditure transactions to ensure that they do not contravene the funding agreement and have been authorised in accordance with the Academy's financial procedures and/or the Academies Financial Handbook, and
- Evaluating and documenting internal controls and testing their application by walk through

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INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO RIDDLEDOWN COLLEGIATE 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 period 4 May 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



PKF Littlejohn LLP

Chartered Accountants

1 Westferry Circus
Canary Wharf
London
E14 4HD

18 December 2013

RIDDLEDOWN COLLEGIATE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	1,104,839	-	22,623,520	23,728,359
Activities for generating funds	3	893,335	-	-	893,335
Investment income	4	2,026	1,461	-	3,487
Incoming resources from charitable activities	5	-	13,004,286	-	13,004,286
TOTAL INCOMING RESOURCES		2,000,200	13,005,747	22,623,520	37,629,467
RESOURCES EXPENDED					
Charitable activities	8	879,081	13,239,581	1,398,709	15,517,371
Governance costs	7	-	17,600	-	17,600
TOTAL RESOURCES EXPENDED	9	879,081	13,257,181	1,398,709	15,534,971
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		1,121,119	(251,434)	21,224,811	22,094,496
Transfers between Funds	19	-	(776,761)	776,761	-
NET INCOME FOR THE YEAR		1,121,119	(1,028,195)	22,001,572	22,094,496
Actuarial gains and losses on defined benefit pension schemes-gains/(losses)		-	(177,000)	-	(177,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		1,121,119	(1,205,195)	22,001,572	21,917,496
<i>Total funds at 4 May 2012</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		1,121,119	(1,205,195)	22,001,572	21,917,496

All of the academy's activities derive from acquisitions in the current financial period

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

The notes on pages 20 to 41 form part of these financial statements

RIDDLEDOWN COLLEGIATE
(A company limited by guarantee)
REGISTERED NUMBER 08058921

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	15		22,001,572
CURRENT ASSETS			
Stocks	16	8,893	
Debtors	17	205,308	
Cash at bank and in hand		2,645,505	
		<u>2,859,706</u>	
CREDITORS amounts falling due within one year	18	<u>(1,311,782)</u>	
NET CURRENT ASSETS			<u>1,547,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,549,496</u>
Defined benefit pension scheme liability	27		<u>(1,632,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>21,917,496</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	19	426,805	
Restricted fixed asset funds	19	22,001,572	
		<u>22,428,377</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(1,632,000)</u>	
Total restricted funds			<u>20,796,377</u>
Unrestricted funds	19		<u>1,121,119</u>
TOTAL FUNDS			<u><u>21,917,496</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 9 December 2013 and are signed on their behalf, by



Mr P Khan
Chair of Directors

The notes on pages 20 to 41 form part of these financial statements

RIDDLESDOWN COLLEGIATE
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**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	period ended 31 August 2013 £
Net cash flow from operating activities	21	3,418,779
Returns on investments and servicing of finance	22	3,487
Capital expenditure and financial investment	22	(776,761)
INCREASE IN CASH IN THE PERIOD		2,645,505

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

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

	period ended 31 August 2013 £
Increase in cash in the period	2,645,505
MOVEMENT IN NET FUNDS IN THE PERIOD	2,645,505
NET FUNDS AT 31 AUGUST 2013	2,645,505

The notes on pages 20 to 41 form part of these financial statements

RIDDLESDOWN COLLEGIATE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, 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 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

RIDDLEDOWN COLLEGIATE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

RIDDLESDOWN COLLEGIATE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES (continued)

1.5 Going concern

The Directors 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 Directors 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 £1,000 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.

A review of 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.

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 buildings	- 2% Straight line
Plant and machinery	- 20% Reducing balance
Motor vehicles	- 25% Reducing balance
Computer equipment	- 25% Straight line

1.7 Stocks

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

1.8 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.

The Academy is registered for VAT and is able to recover input tax paid in respect of some, but not all, of its taxable supplies. Where VAT cannot be recovered, it is included with the cost to which it relates on the SOFA.

RIDDLESDOWN COLLEGIATE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.9 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 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 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.10 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Riddlesdown Collegiate to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Riddlesdown Collegiate. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer of assets from former school	<u>1,104,839</u>	<u>22,623,520</u>	<u>23,728,359</u>

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Catering	423,295	-	423,295
Lettings	17,635	-	17,635
School fund	62,756	-	62,756
School trips etc	389,649	-	389,649
	<u>893,335</u>	<u>-</u>	<u>893,335</u>

4 INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Investment income	2,026	1,461	3,487
	<u>2,026</u>	<u>1,461</u>	<u>3,487</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Educational Operations	-	13,004,286	13,004,286
	<u>-</u>	<u>13,004,286</u>	<u>13,004,286</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	12,040,838	12,040,838
Other Dfe/EFA grants	-	187,743	187,743
Local Authority Grants	-	594,756	594,756
Educational activities	-	180,949	180,949
	<u>-</u>	<u>13,004,286</u>	<u>13,004,286</u>

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

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Educational Operations	405,301	14,573,989	14,979,290
Catering	473,780	64,301	538,081
	<u>879,081</u>	<u>14,638,290</u>	<u>15,517,371</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Educational Operations	9,855,947	537,906	4,585,437	14,979,290
Catering	212,572	-	325,509	538,081
	<u>10,068,519</u>	<u>537,906</u>	<u>4,910,946</u>	<u>15,517,371</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Professional fees	-	8,000	8,000
Auditors remuneration	-	9,600	9,600
	<u>-</u>	<u>17,600</u>	<u>17,600</u>

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

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DIRECT COSTS			
Wages and salaries	-	7,138,388	7,138,388
National insurance	-	580,606	580,606
Pension cost	-	971,451	971,451
Educational supplies	-	451,942	451,942
Staff development	-	58,939	58,939
Computer maintenance and consumables	-	230,893	230,893
Examination fees	-	174,463	174,463
School trip costs	354,062	-	354,062
School fund costs	51,240	-	51,240
Maintenance of premises and equipment	-	8,748	8,748
Professional fees	-	71,064	71,064
	<u>405,302</u>	<u>9,686,494</u>	<u>10,091,796</u>
ALLOCATED SUPPORT COSTS			
Wages and salaries	-	965,345	965,345
National insurance	-	54,410	54,410
Pension cost	-	145,747	145,747
Depreciation	-	537,906	537,906
LPGS costs	-	1,455,000	1,455,000
Computer maintenance and consumables	-	60,205	60,205
Rates and water	-	51,188	51,188
Light and heat	-	167,812	167,812
Insurance	-	83,498	83,498
Office supplies	-	49,743	49,743
Maintenance of premises and equipment	-	391,064	391,064
Cleaning	-	22,688	22,688
Professional fees	-	42,085	42,085
Loss on disposal of fixed assets	-	860,803	860,803
	<u>-</u>	<u>4,887,494</u>	<u>4,887,494</u>
	<u>405,302</u>	<u>14,573,988</u>	<u>14,979,290</u>
OTHER ACTIVITIES			
Catering costs	473,779	64,302	538,081
	<u>879,081</u>	<u>14,638,290</u>	<u>15,517,371</u>

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

9 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Educational Operations	8,690,445	-	1,401,351	10,091,796
Support costs - Educational Operations	1,165,502	537,906	3,184,086	4,887,494
Support costs - Catering	212,572	-	325,509	538,081
Charitable activities	10,068,519	537,906	4,910,946	15,517,371
Governance	-	-	17,600	17,600
	10,068,519	537,906	4,928,546	15,534,971

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Educational Operations	10,091,796	4,887,494	14,979,290
Catering	-	538,081	538,081
Total	10,091,796	5,425,575	15,517,371

11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	period ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the charity	537,906
Auditors' remuneration	9,600
Operating lease rentals	19,161
Loss on disposal of fixed asset	860,803

RIDDLEDOWN COLLEGIATE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

12. STAFF COSTS

Staff costs were as follows

	period ended 31 August 2013 £
Wages and salaries	8,279,208
Social security costs	672,113
Pension costs (Note 27)	1,117,198
	10,068,519

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

	period ended 31 August 2013 No.
Teachers	114
Administration and Support	76
Management	6
	196

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

	period ended 31 August 2013 No.
In the band £60,001 - £70,000	17
In the band £70,001 - £80,000	4
In the band £80,001 - £90,000	2
In the band £90,001 - £100,000	1
In the band £190,001 - £200,000	1
	25

Twenty-four of the above employees participated in the Teachers' Pension Scheme. During the period to 31 August 2013, pension contributions for these staff amounted to £244,527. The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £20,837.

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

13 DIRECTORS' REMUNERATION AND EXPENSES

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

	15 month period ended 31 August 2013 £
Mr G H Smith, Principal & Accounting Officer	195,000-200,000
Mrs S Anderson, Staff Director	25,000-30,000
Mr M Pain, Staff Director	45,000-50,000

During the period, no Directors received any reimbursement of expenses.

14. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £411.

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

RIDDLEDOWN COLLEGIATE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in course of construction £	Plant and machinery £	Motor vehicles £
Cost and valuation				
Additions	23,164,974	121,925	74,110	19,489
Disposals	(882,875)	-	-	-
At 31 August 2013	22,282,099	121,925	74,110	19,489
Depreciation				
Charge for the period	509,561	-	18,527	4,872
On disposals	(22,072)	-	-	-
At 31 August 2013	487,489	-	18,527	4,872
Net book value				
At 31 August 2013	21,794,610	121,925	55,583	14,617
			Computer equipment £	Total £
Cost and valuation				
Additions			19,783	23,400,281
Disposals			-	(882,875)
At 31 August 2013			19,783	22,517,406
Depreciation				
Charge for the period			4,946	537,906
On disposals			-	(22,072)
At 31 August 2013			4,946	515,834
Net book value				
At 31 August 2013			14,837	22,001,572

Included in Freehold property is freehold land at valuation of £2,700,000, which is not depreciated. The academy procured a valuation of the property, which was transferred from London Borough of Croydon to the academy upon conversion. This valuation was undertaken in November 2012 by Stiles Harrold Williams, who are regulated by the Royal Institute of Chartered Surveyors (see note 24 for further details), on a depreciated replacement cost basis. The assets in course of construction relates to the new Performance Centre as mentioned within the Directors Report. For details of the committed costs of this projects see Note 26.

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

16. STOCKS

	2013
	£
Catering stock	8,893

17. DEBTORS

	2013
	£
Other debtors	88,864
Prepayments and accrued income	116,444
	<u>205,308</u>

18 CREDITORS

Amounts falling due within one year

	2013
	£
Trade creditors	255,048
Other taxation and social security	140,391
Other creditors and accruals	140,027
Deferred income	776,316
	<u>1,311,782</u>

Deferred income relates to grants received from the EFA, in respect of the building of the performance block, that is unused as at 31 August 2013

	£
Deferred income	
Resources deferred during the year	<u>776,314</u>

RIDDLEDOWN COLLEGIATE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	2,000,200	(879,081)	-	-	1,121,119
Restricted funds						
General Annual Grant (GAG)	-	12,040,838	(11,419,373)	(194,660)	-	426,805
Other Dfe/EFA Grants	-	162,743	(40,818)	(121,925)	-	-
Local Authority Grants	-	594,756	(134,580)	(460,176)	-	-
Other Grants	-	180,949	(180,949)	-	-	-
Investment Income	-	1,461	(1,461)	-	-	-
Start-up Grant	-	25,000	(25,000)	-	-	-
Pension reserve	-	-	(1,455,000)	-	(177,000)	(1,632,000)
	-	13,005,747	(13,257,181)	(776,761)	(177,000)	(1,205,195)
Restricted fixed asset funds						
General Annual Grant	-	-	(28,345)	194,660	-	166,315
Other Dfe/EFA grants	-	-	-	121,925	-	121,925
Local Authority	-	22,623,520	(1,370,364)	460,176	-	21,713,332
	-	22,623,520	(1,398,709)	776,761	-	22,001,572
Total restricted funds	-	35,629,267	(14,655,890)	-	(177,000)	20,796,377
Total of funds	-	37,629,467	(15,534,971)	-	(177,000)	21,917,496

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

Restricted Funds

The General Annual Grant is provided by the Education Funding Agency (EFA) to enable the Academy to fulfil its general educational objectives

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

Other grants provided by the EFA are provided generally to support pupils however the sum of £121,925 has been provided specifically for the construction of the new performance block

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

19. STATEMENT OF FUNDS (continued)

Local Authority Grants are generally provided by London Borough of Croydon to meet the needs of the pupils however the sum of £460,176 has been received specifically to meet disability enhancements made by the Academy

The Start up grant of £25,000 is specifically provided by the Dfe to meet the cost of conversion to Academy status

Investment Income arises from the Academy's main bank account and is used for general educational purposes

The pension reserve relates to the Local Government Pension Scheme (LGPS) and the movement is derived from the FRS17 report as prepared by actuaries

Restricted Fixed Asset Funds

The General Annual Grant reflects the additions in equipment less depreciation during the period

Other Dfe/EFA grants represents the funds received in respect of the new performance block

Local Authority represents the transfer of land and buildings from the predecessor school less depreciation. Additions in the period are in relation to disability enhancements and was received from the London Borough of Croydon

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
General funds	-	2,000,200	(879,081)	-	-	1,121,119
Restricted funds	-	13,005,747	(13,257,181)	(776,761)	(177,000)	(1,205,195)
Restricted fixed asset funds	-	22,623,520	(1,398,709)	776,761	-	22,001,572
	-	37,629,467	(15,534,971)	-	(177,000)	21,917,496

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	22,001,572	22,001,572
Current assets	1,121,119	1,738,586	-	2,859,705
Creditors due within one year	-	(1,311,781)	-	(1,311,781)
Provisions for liabilities and charges	-	(1,632,000)	-	(1,632,000)
	<u>1,121,119</u>	<u>(1,205,195)</u>	<u>22,001,572</u>	<u>21,917,496</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES - ALL CONTINUING

	period ended 31 August 2013 £
Net incoming resources before revaluations	22,094,496
Returns on investments and servicing of finance	(3,487)
Gifts in kind	(22,623,520)
Deficit on disposal of tangible fixed assets	860,803
Depreciation of tangible fixed assets	537,906
Increase in stocks	(8,893)
Increase in debtors	(205,308)
Increase in creditors	1,311,782
FRS 17 adjustments	1,455,000
Net cash inflow from operations	<u><u>3,418,779</u></u>

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

	period ended 31 August 2013 £
Returns on investments and servicing of finance	
Interest received	<u><u>3,487</u></u>

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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	period ended 31 August 2013 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u>(776,761)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	4 May 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	2,645,505	-	2,645,505
Net funds	<u>-</u>	<u>2,645,505</u>	<u>-</u>	<u>2,645,505</u>

24. CONVERSION TO AN ACADEMY TRUST

On 1st June 2012 Riddlesdown Collegiate converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Riddlesdown Collegiate from London Borough of Croydon 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 in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	22,623,520	22,623,520
Other assets	1,104,839	-	-	1,104,839
Net assets/(liabilities)	<u>1,104,839</u>	<u>-</u>	<u>22,623,520</u>	<u>23,728,359</u>

25. CONTINGENT LIABILITIES

The Academy had no contingent liabilities as at 31 August 2013

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26. CAPITAL COMMITMENTS

At 31 August 2013 the academy had capital commitments as follows

	2013 £
Contracted for but not provided in these financial statements	2,024,445

27 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 London Borough of Croydon Both are defined benefit schemes

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

Contributions amounting to £86,214 were payable to the scheme at 31 August 2013 and are included within creditors

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of

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27 PENSION COMMITMENTS (continued)

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

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

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

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

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

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27. PENSION COMMITMENTS (continued)

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 period ended 31 August 2013 was £392,810, of which employer's contributions totalled £310,610 and employees' contributions totalled £82,200. The agreed contribution rates for future years are 24.1 per cent for employers and 7.2 per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	62.00	297,000
Bonds	28.00	134,000
Property	5.00	24,000
Cash	5.00	24,000
Total market value of assets		<u>479,000</u>
Surplus in the scheme		<u><u>479,000</u></u>

The amounts recognised in the Balance sheet are as follows

	period ended 31 August 2013 £
Present value of funded obligations	(2,111,000)
Fair value of scheme assets	<u>479,000</u>
Net liability	<u><u>(1,632,000)</u></u>

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27 PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows

	period ended 31 August 2013 £
Current service cost	242,000
Interest cost	89,000
Expected return on scheme assets	(15,000)
Total	316,000

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

	period ended 31 August 2013 £
Contributions by scheme participants	81,000
Actuarial Losses	207,000
Current service cost	242,000
Interest cost	89,000
Inherited by the academy	1,492,000
Closing defined benefit obligation	2,111,000

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

	period ended 31 August 2013 £
Actuarial gains and (losses)	30,000
Contributions by employees	81,000
Contributions by employer	304,000
Expected return on assets	15,000
Inherited by the academy	49,000
	479,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £177,000

The academy expects to contribute £270,000 to its defined benefit pension scheme in 2014

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

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

	2013
European equities	62.00 %
European bonds	28.00 %
Property	5.00 %
Cash	5.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.90 %
Rate of increase in salaries	4.60 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	22.9
Females	25.7
Retiring in 20 years	
Males	24.9
Females	27.7

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Present Value of defined benefit obligation	(2,111,000)
Fair value of scheme assets	479,000
Deficit in the scheme	(1,632,000)
Experience adjustments on scheme liabilities	(207,000)
Experience adjustments on scheme assets	30,000

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NOTES TO THE FINANCIAL STATEMENTS
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28 OPERATING LEASE COMMITMENTS

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

	Land and buildings 2013 £	Other 2013 £
Expiry date		
Between 2 and 5 years	-	27,809

29. 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 directors 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.

30. CONTROLLING PARTY

As the Academy is Limited by Guarantee there is no Ultimate Controlling Party