

Cedars Upper School

Registered number: 7720110

Governors report and financial statements

For the year ended 31 August 2013

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CEDARS UPPER SCHOOL

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its governors and advisers	1 - 2
Governors' report	3 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Governors' responsibilities statement	13
Independent auditors' report	14 - 15
Independent auditors' assurance report on regularity	16 - 17
Statement of financial activities	18
Balance sheet	19
Cash flow statement	20
Notes to the financial statements	21 - 39

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

Members:

Steven Palmer
Timothy Alberry (resigned 6 September 2012)
Paul Denvir
Stephen Owen
Alan Perrott

Directors

Paul Denvir, Chair
Steven Palmer, Head Teacher and Accounting Officer
Simone Aylward
Lee Beaumont
Alan Brandham (resigned 27 May 2013)
Joanne Churcher
Martin Harris (resigned 8 December 2012)
Nigel Hoskins
Rupert Kaye (resigned 20 November 2013)
Susan Lambert (appointed 12 March 2013)
Julie Lock
Ruth Massingberd-Mundy
Stephen Owen
David Perrin
Alan Perrott, Responsible Officer
Tam Quinn
Brian Sadler (resigned 16 July 2013)
Gillian Roche

Company registered number

7720110

Principal and registered office

Mentmore Road
Leighton Buzzard
Bedfordshire
LU7 2AE

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

Advisers (continued)

Company secretary

Claire Golding

Chief executive officer

Steven Palmer

School leadership team

Steven Palmer, Head
Linda Johnson, Deputy Head (stepped down 31.08.13)
Dr Robert Graham, Deputy Head
Steve Berrisford, Assistant Head
Lisa Hines, Assistant Head
Gavin Gibson, Assistant Head (started 01.09.12)
Sue Quick, Assistant Head (stepped down 31.08.13)
Claire Golding, Business Manager

Independent auditors

Mazars LLP
Chartered Accountants
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Bankers

Lloyds Bank plc

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
West Midlands
B3 2ES

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

The governors present their second annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2013.

Structure, governance and management

CONSTITUTION

Cedars Upper School 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 school.

The governors who held office during the year are shown below:

Paul Denvir + * **	Chair
Steven Palmer + * **	Head Teacher and Accounting Officer
Simone Aylward **	
Alan Brandham *	(resigned 27.05.13)
Lee Beaumont **	Staff Governor
Joanne Churcher + *	
Martin Harris *	(resigned 08.12.12)
Nigel Hoskins *	
Rupert Kaye *	(resigned 20.11.13)
Susan Lambert	Staff Governor (appointed 12.03.13)
Julie Lock *	Staff Governor
Ruth Massingberd-Mundy **	
Steve Owen + **	
David Perrin *	
Alan Perrott +	Responsible Officer
Tam Quinn **	
Gillian Roche **	
Brian Sadler **	(resigned 16.07.13)

Members of the:

Academy Steering Group (ASG) +

Finance and Premises (F&P) *

Teaching, Learning & Students (TLS) **

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.

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

PRINCIPAL ACTIVITIES

Cedars Academy is a Comprehensive Upper School serving the population of Leighton Buzzard and its environs. It provides education for both male and female pupils of mixed abilities from year 9 until year 13.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The members listed on page 1 may appoint up to nine governors.

Parents have the right to elect directors to the board so long as they have registered pupils at the school at the time of the election.

The term of office for any director will be four years, except that this time limit does not apply to the head teacher. Subject to remaining eligible to be a particular type of director, any director can be re-appointed or re-elected.

Governors who were in office in the period under review are listed above.

PROCEDURES FOR THE INDUCTION AND TRAINING OF GOVERNORS

The number of new governors joining is not normally more than two or three a year and therefore the induction is carried out on a very informal basis. The Local Authority and LC2, still run various courses for school governors and new and longer standing governors are encouraged to attend. Other training is conducted when considered necessary.

ORGANISATIONAL STRUCTURE

The governors have primary responsibility for setting the general policy and adopting an annual plan and budget. The directors monitor the school against the budget, and make decisions over strategic direction of the school, capital expenditure and the appointment of the head teacher.

LEADERSHIP GROUP

For the period under review the Leadership team is set out on page 2. This team has delegated authority from the directors to manage and control the school at an executive level. The delegation allows them to spend within agreed budgets and to appoint staff. The team reports back to the governing body on a regular basis.

RISK MANAGEMENT

The school's exposure to risk is largely limited to cash and bank balances, trade creditors and debtors. The governors believe financial procedures in place are sufficient to control and minimise this risk.

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

Objectives and Activities

OBJECTS, AIMS AND OBJECTIVES

The principal object and activity of the charitable company is the operation of Cedars Upper school. It provides comprehensive education for pupils of different abilities between the ages of 13 and 18.

The main objectives of the School during the period ended 31 August 2013 are summarised below:

- To ensure that every child succeeds by providing high quality education.
- To be effective by using the resources, tuition and care given to the best of our ability.
- To constantly review for improvements the effectiveness of the curriculum, extra curricular opportunities and organisational structure.
- To ensure that every penny spent provides value for money.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with the community we serve and forge partnerships with industry and commerce.
- To ensure we operate the school in accordance with the highest standards of integrity, probity and transparency.

STRATEGIES AND OBJECTIVES

The School's main strategy is encompassed in its vision statement "a respectful community that promotes equal opportunities for every individual to achieve excellence, now and in the future". This we believe is delivered as follows:

- Providing high quality teaching for all pupils
- Providing high quality learning for all pupils.
- Providing high standards in personal care and individual development.
- Providing a caring and disciplined environment.
- Providing pupils with the support for future development in the wider community.

PUBLIC BENEFIT

In setting our objectives and planning the school's activities the governors have been careful to take into consideration the Charity Commissions general guidelines regarding public benefit.

ACHIEVEMENT AND PERFORMANCE

Cedars Upper School remains one of the highest attaining schools in the Central Bedfordshire area. The 2013 exam results were the best in the school's history in many respects, although the English GCSE results were far lower than predicted and this dragged down all "whole school" measures. In terms of headline numbers for 2013:

- GCSE 5A*-C (including English & Maths) was 56% (2012=67%, 2011=68%).
- A2 level A*-E was 99.5% (2012=98%, 2011=99%).
- A2 level A*-B was 53% (2012=43%).
- AS level A-E was 88% (2012=82%, 2011=94%).
- AS level A-B was 28% (2012=32%).

Outcomes at KS4 are in line with or above national averages in many subjects in terms of A*- C grades and, as a result of a concerted focus by senior and subject leaders, there was an increase in 2013 in the proportions gaining A or A* in nearly all subjects, including mathematics and science.

We were obviously very disappointed by the slippage in English this year. As well as having a number of scripts

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

remarked, we have responded swiftly with an action plan to secure improvement for 2014. The current assessment data for Year 11 and observation of students' work indicate that results should be back on track to reach previous good levels in the coming year. This was confirmed in our recent Ofsted inspection.

Progress is strong from KS2-4 in mathematics and in a number of the science and technology courses but we are ambitious to ensure that this is now the case in all subjects. Cedars has an above average intake of students and the school is determined to ensure that every student makes the progress of which they are capable.

Particular groups were targeted for improvement in 2013 such as special needs students identified as school action (SA) and those eligible for free school meals (FSM). Both of these groups showed better progress on the main headline measures compared with 2012. The gap between their attainment and other students is narrowing in most subjects.

All students who are disabled and those who have special educational needs are making good progress because of the effective support they receive.

Attainment post 16 remains good. The priority is now to consolidate further the proportion of high grades at both GCSE and A level.

To ensure standards are continually raised the School closely monitors its performance in all outcomes, using national comparisons to look at value added through each key stage and for groups of students as well as the headline figures. The School was the subject of an Ofsted inspection in September 2013 and scored 2 (good) for "overall effectiveness" (this score was in line with the School's self-evaluation form); the school was graded as good for behaviour and safety, achievement, teaching and for leadership and management. Governors monitor progress against the priorities set out in the School Development Plan and highlighted in the latest Ofsted report. Measures are being taken to address those areas where performance did not improve versus previous years.

In terms of attendance, the figures have improved a little further to 95% (2012=94.4%; 2011=94.3%). The proportion of persistent absentees with below 85% attendance is well below the national average for 2012. These are very good figures for an upper school and stand up well to national comparison with 11-18 schools.

Behaviour is good and exclusion figures whether fixed term or permanent are low.

The school is fully committed to providing a wide range of extra-curricular and enrichment activities as well as entering all county competitions in football, netball, hockey and athletics. Cedars has its own equestrian team, golf team and several go karting teams. A new 3G pitch has been completed and is used on a daily basis. Creative Arts flourish at the school with an annual school production as well as regular performances in drama, music and dance. The Duke of Edinburgh award is very popular with many students involved in bronze, silver and gold activities. All departments run trips to enhance learning - a History trip to the Somme, Science and Geography field trips and drama festivals. Cedars also provides opportunities for students to become Young Leaders, be it in sport or in Maths.

GOING CONCERN

The governors believe that after making all appropriate enquires there are reasonable expectations that the School has adequate resources to continue in operation for the foreseeable future. On this basis it continues to prepare financial statements on a going concern basis, details of which are shown under the Statement of Accounting Policies on pages 21-24.

FINANCIAL REVIEW

The School derives the majority of its income from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted for different criteria.

CEDARS UPPER SCHOOL

(A company limited by guarantee)

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

The EFA grants that have been received during the financial year are shown as restricted funds in the statement of financial activities.

The school augments these funds from other sources, primarily lettings for after school activities in the form of educational and recreational courses. The school during the holiday breaks runs a very successful Coaching Academy for many sport activities, but primarily football. The school can also be let for social events like parties and weddings and are equipped to provide catering.

During the year the school in partnership with the Football Association built a 3G pitch and now this is providing additional income for the school when let out to local football teams. The school also works in partnership with Luton Football Club.

School catering also helps provide funds, but its primary purpose is the value the Governors place on healthy eating and providing the pupils with hot food during the school day.

One of the Governors' main aims is to provide financial stability to the school and to monitor expenditure closely given that the majority of the income is predetermined by the EFA; with aging school property and increases in energy costs this is not always easy to achieve.

The school has a proud tradition for providing a wide range of sport for all its pupils. The school pavilion has not been fit for purpose for a number of years now, but with the help of full funding from the EFA plans are now in place to re-build the pavilion. Full funding from the EFA was granted towards the end of the financial year with £300,000 having been received in advance. Architects plans have been drawn up and planning permission granted. It is anticipated that the work will be put out to tender shortly with a completion date towards the end of the next financial year.

The School now assumes the liabilities of the Local Government Pension scheme that relate solely to the School's administration staff. This liability was valued by independent Actuaries at the year end at £721,000, a slight decrease of £4,000 on the previous year.

CHARITABLE DONATIONS

Each year during November, years 12 and 13 manage and run a "help week" in which the whole school raises money for charitable purposes. Various events are arranged that help to raise this money and is a vital part of building the Cedar's community. The money raised is then split and paid to charities that the students chose.

In 2012 £5,809 was raised and the following donations made £1,000 – Cystic Fibrosis, £1,000 – Different Strokes, £1,000 – Teenage & Young Adult Cancer Fund, £500 – Papyrus and £500 – British Heart Foundation. (2011 £5,180 raised and the following donations made £1,000 Autism Bedfordshire, £1,000 – Hula Animal Rescue, £1,000 East of England Air Ambulance, £81 – Christmas meal for Finch Crescent residents, and various small donations of between £100 and £50 to local charities in Leighton Buzzard.

There is a conscious decision to retain some of the funds so that the school is able to respond to humanitarian aid appeals.

RESERVES POLICY

The reserves of the School are reviewed annually by the directors. The aim of the Governors is to strive to carry forward a prudent level of resources in order to meet long term cyclical needs for the renewal and any other unforeseen contingencies, plus a contribution towards future capital projects. This is constrained by the levels permitted by the EFA and the Schools Funding Agreement.

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

FUNDS IN DEFICIT

The restricted fund as at 31 August 2013 is in deficit by £557,881. This is due entirely to the inherited Local Government Pension Scheme deficit of £721,000.

INVESTMENT POLICY

Through the management of the school's budget and cash flow the governors seek to maximise the use of the excess cash balances to invest in the highest possible interest rate accounts available to them.

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

PLANS FOR FUTURE PERIODS

Cedars Upper School future plans are contained in its Development Plan which strives to improve all levels of performance of its pupils within the constraints of the resources it has at its disposal.

GOVERNORS' INDEMNITY 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,627 (2012 - £1,636).

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

This report was approved by order of the full governing body on 16 December 2013 and signed on its behalf by:



Paul Denvir
Chair of Governors

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge that we have overall responsibility for ensuring that Cedars Upper School 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 full governing body has delegated the day-to-day responsibility to the Head, 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 Cedars Upper School and the Secretary of State for Education. They are also responsible for reporting to the full governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
Paul Denvir, Chair	4	4
Steven Palmer, Head Teacher and Accounting Officer	4	4
Simone Aylward	3	4
Lee Beaumont	4	4
Alan Brandham (resigned 27.05.13)	0	4
Joanne Churcher	3	4
Martin Harris (resigned 08.12.12)	1	4
Nigel Hoskins	3	4
Rupert Kaye	3	4
Susan Lambert (appointed 12.03.13)	2	4
Julie Lock	4	4
Ruth Massingberd-Mundy	4	4
Stephen Owen	4	4
David Perrin	3	4
Alan Perrott, Responsible Officer	4	4
Tam Quinn	2	4
Gillian Roche	4	4
Brian Sadler (resigned 16.07.13)	4	4

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Finance & Property Committee (F&P) sub-committee was scheduled to meet six times during the year and scrutinises all material contracts entered into by the school, the upkeep of the school fabric and the finances against the annual budget set by the governing body.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Paul Denvir	6	6
Steven Palmer	5	6
Lee Beaumont +	1	6
Alan Brandham (resigned 27.05.13)	1	6
Jo Churcher	5	6
Martin Harris (resigned 08.12.12)	0	6
Nigel Hoskins	6	6
Rupert Kaye ++	5	6
Susan Lambert (appointed 13.03.13) +++	1	6
Julie Lock	5	6
David Perrin	6	6
Alan Perrott	6	6

The Teaching, Learning and Students (TLS) sub-committee was scheduled to meet four times during the year. Its role is to set the education tone of the school and to ensure it is meeting Ofsted objectives as well as considering the social environment of the school and dealing with staff personnel issues.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Paul Denvir	4	4
Stephen Palmer	2	4
Simone Aylward	4	4
Lee Beaumont +	2	4
Rupert Kaye ++	2	4
Susan Lambert (appointed 13.03.13)	1	4
Ruth Mundy	3	4
Stephen Owen	4	4
Tam Quinn	1	4
Gill Roche	4	4
Brian Sadler (resigned 16.07.13)	0	4

+ Lee moved from F&P to TLS during the year.

++ Rupert moved from TLS to F&P during the year.

+++ Sue moved from TLS to F&P during the year.

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 Cedars Upper School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the full governing body;
- regular reviews by the Finance & Property Committee (F&P) 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 full governing body has considered the need for a specific internal audit function and has decided to appoint a Responsible Officer.

The Responsible Officer'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 Responsible Officer reports to the full governing body on the operation of the systems of control and on the discharge of the full governing body's financial responsibilities.

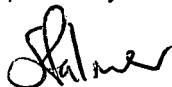
REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the full governing body on 16 December 2013 and signed on their behalf:



Mr S Palmer
Headteacher and Accounting Officer

CEDARS UPPER SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr S Palmer
Headteacher and Accounting
Officer

Date: 16 December 2013

CEDARS UPPER SCHOOL

(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as governors of Cedars Upper School 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 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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 full governing body on 16 December 2013 and signed on its behalf by:



P Denvir
Chair of Governors

CEDARS UPPER SCHOOL

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEDARS UPPER SCHOOL

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

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

CEDARS UPPER SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEDARS UPPER SCHOOL

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.

Stephen Brown

Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: *19 December 2013*

CEDARS UPPER SCHOOL

(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CEDARS UPPER SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 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 Cedars Upper School during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CEDARS UPPER SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

CEDARS UPPER SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO
CEDARS UPPER SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Stephen Brown

Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: *19 December 2013*

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	As restated Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	-	-	12,106,360
Activities for generating funds	3	267,758	-	-	267,758	207,112
Investment income	4	8,898	-	-	8,898	6,297
Incoming resources from charitable activities	5	36,006	6,366,158	1,410,961	7,813,125	6,636,634
TOTAL INCOMING RESOURCES		312,662	6,366,158	1,410,961	8,089,781	18,956,403
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating funds	7	228,809	-	-	228,809	176,622
Charitable activities	6	-	6,173,594	346,889	6,520,483	6,568,994
Governance costs	8	-	51,018	-	51,018	38,398
TOTAL RESOURCES EXPENDED		228,809	6,224,612	346,889	6,800,310	6,784,014
NET INCOMING RESOURCES BEFORE REVALUATIONS		83,853	141,546	1,064,072	1,289,471	12,172,389
Actuarial gains and losses on defined benefit pension schemes		-	17,000	-	17,000	(205,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		83,853	158,546	1,064,072	1,306,471	11,967,389
Total funds at 1 September 2012		63,579	(716,427)	12,620,237	11,967,389	-
TOTAL FUNDS AT 31 AUGUST 2013		147,432	(557,881)	13,684,309	13,273,860	11,967,389

All activities relate to continuing operations.

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

The notes on pages 21 to 39 form part of these financial statements.

CEDARS UPPER SCHOOL
Registered number: 7720110
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	17		13,535,545		12,513,928
CURRENT ASSETS					
Debtors	18	26,801		71,156	
Cash at bank and in hand		716,057		582,253	
		<u>742,858</u>		<u>653,409</u>	
CREDITORS: amounts falling due within one year	19	(223,839)		(401,075)	
NET CURRENT ASSETS			<u>519,019</u>		<u>252,334</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,054,564</u>		<u>12,766,262</u>
CREDITORS: amounts falling due after more than one year	20		(59,704)		(73,873)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>13,994,860</u>		<u>12,692,389</u>
Defined benefit pension scheme liability	26	(721,000)		(725,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>13,273,860</u>		<u>11,967,389</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General fund(s)	21	163,119		8,573	
Pension reserve	21	(721,000)		(725,000)	
Restricted fixed asset fund(s)	21	<u>13,684,309</u>		<u>12,620,237</u>	
Total restricted funds			13,126,428		11,903,810
Unrestricted funds	21		<u>147,432</u>		<u>63,579</u>
TOTAL FUNDS			<u>13,273,860</u>		<u>11,967,389</u>

The financial statements were approved by the Governors, and authorised for issue, on 16 December 2013 and are signed on their behalf, by:


P Denvir
Chair of Governors

The notes on pages 21 to 39 form part of these financial statements.

CEDARS UPPER SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	23	1,717,245	958,266
Returns on investments and servicing of finance	24	8,898	6,297
Capital expenditure and financial investment	24	(1,578,506)	(469,452)
CASH INFLOW BEFORE FINANCING		147,637	495,111
Financing	24	(13,833)	87,142
INCREASE IN CASH IN THE YEAR		133,804	582,253

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

	2013 £	2012 £
Increase in cash in the year	133,804	582,253
Cash outflow from decrease in debt and lease financing	13,833	(87,142)
MOVEMENT IN NET FUNDS IN THE YEAR	147,637	495,111
Net funds at 1 September 2012	495,111	-
NET FUNDS AT 31 AUGUST 2013	642,748	495,111

The notes on pages 21 to 39 form part of these financial statements.

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, 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 Governors.

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 for Education.

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

CEDARS UPPER SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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.

CEDARS UPPER SCHOOL

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.7 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	12.5% straight line
Computer equipment	-	33.3% straight line

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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 26, 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.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donated assets	-	-	-	12,553,217
Surplus on conversion	-	-	-	50,606
Inherited defined benefit pension scheme liability	-	-	-	(549,000)
Donated school fund balance	-	-	-	51,537
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	-	-	12,106,360
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Charity trading income				
Hire of Facilities and site rental	79,736	-	79,736	28,708
Catering Income	178,132	-	178,132	167,184
Coaching academy income	9,890	-	9,890	11,220
	<u>267,758</u>	<u>-</u>	<u>267,758</u>	<u>207,112</u>
Net income from activities for generating funds	<u>267,758</u>	<u>-</u>	<u>267,758</u>	<u>207,112</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Short term deposits	8,898	-	8,898	6,297
	<u>8,898</u>	<u>-</u>	<u>8,898</u>	<u>6,297</u>

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
General Annual Grant (GAG)	-	5,960,930	-	5,960,930	6,007,761
Academy main building grant	-	-	1,410,961	1,410,961	300,145
Other DfE/EFA grants	-	10,700	-	10,700	105,023
Other grants	-	490	-	490	7,600
SEN from LA	-	246,194	-	246,194	56,369
Other income	36,006	147,844	-	183,850	159,736
Total	<u>36,006</u>	<u>6,366,158</u>	<u>1,410,961</u>	<u>7,813,125</u>	<u>6,636,634</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	As restated Total funds 2012 £
Funding for the Academy's educational operations	-	6,520,483	6,520,483	6,568,994

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	As restated Total 2012 £
Funding for the Academy's educational operations	5,286,412	346,889	887,182	6,520,483	6,568,994

7. COSTS OF GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	As restated Total funds 2012 £
Reallocation of overheads	22,190	-	22,190	25,191
Catering - salary costs	69,185	-	69,185	67,834
Catering - social security costs	1,456	-	1,456	1,683
Catering - pension costs	6,806	-	6,806	6,577
Catering - other costs	106,449	-	106,449	74,582
3G pitch costs	17,689	-	17,689	-
Other support costs	1,417	-	1,417	-
Coaching academy costs	3,617	-	3,617	755
Total	228,809	-	228,809	176,622

The Governors have allocated a proportion of utilities costs to unrestricted funds in respect of catering and 3G pitch expenses.

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Governance Auditors' remuneration	-	8,405	8,405	7,000
HR/payroll services	-	18,894	18,894	19,731
Other bought in services	-	10,366	10,366	-
Accountancy fees	-	11,726	11,726	-
Conversion fees	-	-	-	10,031
Insurance	-	1,627	1,627	1,636
	<u>-</u>	<u>51,018</u>	<u>51,018</u>	<u>38,398</u>

9. DIRECT COSTS

	Restricted funds 2013 £	Total 2013 £	Total 2012 £
Pension income	25,000	25,000	29,000
Educational supplies	215,703	215,703	236,302
Examination fees	172,496	172,496	172,279
School trips	21,855	21,855	8,839
Staff development	15,894	15,894	14,830
Other direct costs	63,259	63,259	71,293
Wages and salaries	3,614,825	3,614,825	3,591,701
National insurance	273,476	273,476	266,426
Pension cost	477,483	477,483	481,244
Depreciation	346,889	346,889	295,741
	<u>5,226,880</u>	<u>5,226,880</u>	<u>5,167,655</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

10. SUPPORT COSTS

	Restricted funds 2013 £	Total 2013 £	Total 2012 £
Bank interest and charges	417	417	235
Maintenance of premises and equipment	119,432	119,432	318,729
Rates and utilities	48,641	48,641	225,966
Advertising and recruitment	21,769	21,769	9,370
Security and transport	29,697	29,697	16,161
Insurance	55,803	55,803	64,384
IT costs	65,834	65,834	77,014
Other support costs	31,382	31,382	54,430
Wages and salaries	756,917	756,917	495,268
National insurance	46,649	46,649	42,782
Pension cost	117,062	117,062	97,000
	<u>1,293,603</u>	<u>1,293,603</u>	<u>1,401,339</u>

11. TURNOVER

The whole of the turnover is attributable to the Academy's principal activities and has derived from the United Kingdom.

12. NET INCOMING RESOURCES

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the charity	346,889	295,741
Auditors' remuneration - audit fee	5,250	5,000
Auditors' remuneration - non-audit	14,881	2,000
Operating leases	26,855	26,615
	<u>393,875</u>	<u>331,356</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

13. STAFF COSTS

Staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	4,440,926	4,242,558
Social security costs	321,581	310,891
Other pension costs (Note 26)	601,351	526,821
	<u>5,363,858</u>	<u>5,080,270</u>

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

	2013	2012
	No.	No.
Teaching	79	77
Educational Support	38	31
Premises	3	3
Administration	22	22
Catering	5	5
Midday supervisors	3	3
	<u>150</u>	<u>141</u>

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

	2013	2012
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
	<u>3</u>	<u>3</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £31,018 (2012 : £11,595).

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

14. GOVERNORS' REMUNERATION AND EXPENSES

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

	2013	2012
	£'000	£'000
Steven Palmer	80-85	80-85
Staff Governor 1	40-45	40-45
Staff Governor 2	45-50	45-50
Staff Governor 3	25-30	-

In addition to the above, trustees' family members who were employed by the school during the year were paid salaries amounting to £38,899 (2012 : £3,881).

Aggregate out of pocket expenses reimbursed to trustees amounted to £120 (2012 : £939).

15. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,627 (2012 - £1,636).

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

16. OTHER FINANCE INCOME

	2013	2012
	£	£
Expected return on pension scheme assets	57,000	49,000
Interest on pension scheme liabilities	(82,000)	(78,000)
	<u>(25,000)</u>	<u>(29,000)</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

17. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2012	12,487,388	123,480	198,801	12,809,669
Additions	1,333,607	22,464	12,435	1,368,506
At 31 August 2013	<u>13,820,995</u>	<u>145,944</u>	<u>211,236</u>	<u>14,178,175</u>
Depreciation				
At 1 September 2012	218,000	65,592	12,149	295,741
Charge for the year	267,330	13,651	65,908	346,889
At 31 August 2013	<u>485,330</u>	<u>79,243</u>	<u>78,057</u>	<u>642,630</u>
Net book value				
At 31 August 2013	<u>13,335,665</u>	<u>66,701</u>	<u>133,179</u>	<u>13,535,545</u>
At 31 August 2012	<u>12,269,388</u>	<u>57,888</u>	<u>186,652</u>	<u>12,513,928</u>

18. DEBTORS

	2013 £	2012 £
Trade debtors	9,508	-
Other debtors	12,593	71,156
Prepayments and accrued income	4,700	-
	<u>26,801</u>	<u>71,156</u>

19. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Other loans	13,605	13,269
Trade creditors	56,717	111,295
Other taxation and social security	98,172	97,163
Other creditors	240	-
Accruals and deferred income	55,105	179,348
	<u>223,839</u>	<u>401,075</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

20. CREDITORS:
Amounts falling due after more than one year

	2013 £	2012 £
Other loans	59,704	73,873

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
3G Pitch maintenance fund	-	-	-	25,000	-	25,000
General funds						
General Funds	63,579	312,662	(228,809)	(25,000)	-	122,432
	63,579	312,662	(228,809)	(25,000)	-	122,432
Total Unrestricted funds	63,579	312,662	(228,809)	-	-	147,432
Restricted funds						
Pension	(725,000)	-	-	-	4,000	(721,000)
General fund	8,573	6,366,158	(6,224,612)	-	13,000	163,119
	(716,427)	6,366,158	(6,224,612)	-	17,000	(557,881)
Restricted fixed asset funds						
Fixed asset fund	12,620,237	1,410,961	(346,889)	-	-	13,684,309
Total restricted funds	11,903,810	7,777,119	(6,571,501)	-	17,000	13,126,428
Total of funds	11,967,389	8,089,781	(6,800,310)	-	17,000	13,273,860

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

- 1) General Annual Grant: this fund must be used for the normal running costs of the Academy.
- 2) Other EFA Grants: this fund relates to other grants received which must be used for the purpose intended.
- 3) Other restricted: this fund relates to all other restricted funds received which must be used for the purpose intended.

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

21. STATEMENT OF FUNDS (continued)

4) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes imposed.

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.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	13,535,545	13,535,545	12,513,928
Current assets	407,249	163,119	172,491	742,859	653,409
Creditors due within one year	(200,113)	-	(23,727)	(223,840)	(401,075)
Creditors due in more than one year	(59,704)	-	-	(59,704)	(73,873)
Provisions for liabilities and charges	-	(721,000)	-	(721,000)	(725,000)
	<u>147,432</u>	<u>(557,881)</u>	<u>13,684,309</u>	<u>13,273,860</u>	<u>11,967,389</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before revaluations	1,289,471	12,172,389
Returns on investments and servicing of finance	(8,898)	(6,297)
Inherited defined benefit pension scheme liability	-	549,000
Donated assets	-	(12,553,217)
Depreciation of tangible fixed assets	346,889	295,741
Decrease/(increase) in debtors	44,355	(71,156)
(Decrease)/increase in creditors	(177,572)	387,806
FRS 17 adjustments	223,000	184,000
Net cash inflow from operations	<u>1,717,245</u>	<u>958,266</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	8,898	6,297
	<u>8,898</u>	<u>6,297</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,368,506)	(256,452)
Pension scheme contribution	(210,000)	(213,000)
	<u>(1,578,506)</u>	<u>(469,452)</u>
Net cash outflow capital expenditure	<u>(1,578,506)</u>	<u>(469,452)</u>
	2013 £	2012 £
Financing		
New secured loans	-	87,142
Repayment of loans	(13,833)	-
	<u>(13,833)</u>	<u>87,142</u>
Net cash (outflow)/inflow from financing	<u>(13,833)</u>	<u>87,142</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	582,253	133,804	-	716,057
Debt:				
Finance leases	-	-	-	-
Debts due within one year	(13,269)	-	(336)	(13,605)
Debts falling due after more than one year	(73,873)	13,833	336	(59,704)
Net funds	<u>495,111</u>	<u>147,637</u>	<u>-</u>	<u>642,748</u>

CEDARS UPPER SCHOOL

(A company limited by guarantee)

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

26. 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 Hymans Robertson LLP. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

CEDARS UPPER SCHOOL

(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £267,000, of which employer's contributions totalled £210,000 and employees' contributions totalled £57,000. The agreed contribution rates for future years are 24% for employers and employees contributions are banded according to their pay scale.

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

The amounts recognised in the Balance sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(2,270,000)	(1,880,000)
Fair value of scheme assets	1,549,000	1,155,000
	<u>(721,000)</u>	<u>(725,000)</u>
Net liability	<u>(721,000)</u>	<u>(725,000)</u>

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

	2013 £	2012 £
Current service cost	(198,000)	(155,000)
Interest on obligation	(82,000)	(78,000)
Expected return on scheme assets	57,000	49,000
	<u>(223,000)</u>	<u>(184,000)</u>
Total	<u>(223,000)</u>	<u>(184,000)</u>
Actual return on scheme assets	<u>127,000</u>	<u>71,000</u>

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

	2013 £	2012 £
Opening defined benefit obligation	1,880,000	1,367,000
Current service cost	198,000	155,000
Interest cost	82,000	78,000
Contributions by scheme employer	57,000	54,000
Actuarial Losses	53,000	226,000
	<u>2,270,000</u>	<u>1,880,000</u>
Closing defined benefit obligation	<u>2,270,000</u>	<u>1,880,000</u>

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

	2013	2012
	£	£
Opening fair value of scheme assets	1,155,000	818,000
Expected return on assets	57,000	49,000
Actuarial gains and (losses)	70,000	21,000
Contributions by employer	210,000	213,000
Contributions by employees	57,000	54,000
	<u>1,549,000</u>	<u>1,155,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £188,000 (2012 - £205,000).

The academy expects to contribute £202,000 to its Defined benefit pension scheme in 2014.

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

	2013	2012
European equities	70.00 %	52.00 %
European bonds	19.00 %	17.00 %
Property	8.00 %	9.00 %
Cash	3.00 %	22.00 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	5.90 %	4.40 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

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

	2013	2012
Retiring today		
Males	21.6	21.6
Females	23.2	23.2
Retiring in 20 years		
Males	23.6	23.6
Females	25.6	25.6

CEDARS UPPER SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(2,270,000)	(1,880,000)
Scheme assets	1,549,000	1,155,000
Deficit	<u>(721,000)</u>	<u>(725,000)</u>
Experience adjustments on scheme liabilities	(53,000)	(226,000)
Experience adjustments on scheme assets	<u>70,000</u>	<u>21,000</u>

27. OPERATING LEASE COMMITMENTS

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

	Land and buildings		2013 £	Other 2012 £
	2013 £	2012 £		
Expiry date:				
Within 1 year	-	-	1,248	28,482
Between 2 and 5 years	-	-	24,939	23,713
After more than 5 years	-	-	960	960
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

28. 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 governor 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.

No related party transactions took place in the period of account except wages paid to staff Governors as stated in note 13 (2012 - same).